

الوقت

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER
Tuesday March 13 1984

No women, blacks or
Jews: the makings
of a President, Page 4



Acca	Sch 18	Indonesia	Rp 2000	Portugal	Esc 200
Belgium	Bfr 33	Japan	Yen 110	S. Africa	Rand 100
Canada	Can 100	South Korea	Won 100	Spain	Ptas 166
Denmark	Dkr 136	Taiwan	N.T. 100	Switzerland	Sfr 70
France	FFr 66	Thailand	Baht 100	U.K.	£ 100
Germany	DM 100	West Germany	DM 100	U.S.A.	\$ 100
Greece	Dr 100	Yugoslavia	Dinar 100		
Hong Kong	Hk\$ 100				
Italy	Lira 100				

No 29,270

NEWS SUMMARY

GENERAL

Namibia plan gets cool reception

South Africa's proposal of a multi-party conference to resolve the conflict in Namibia and Angola was greeted yesterday with caution and some scepticism by African and Western diplomats.

The move is seen as an attempt by the South African Government to get away from the United Nations plan for a settlement and elections in Namibia, leading to its independence.

In Lusaka, Mr Sam Nujoma, president of the South West Africa People's Organisation (SWAPO), the guerrilla movement fighting for Namibia's independence, emphasised that he was willing to talk to South Africa, but only within the framework of the UN plan.

BUSINESS

Dollar regains more lost ground

DOLLAR was firmer, recovering more recent lost ground, on speculation that the Federal Reserve would tighten its grip on inflation by putting upward pressure on interest rates. It advanced to DM 2.005 (DM 2.5785), Ffr 8.02 (Ffr 7.8255), SwFr 2.153 (SwFr 2.1335) and Y225.1 (Y224.05). Its Bank of England trade-weighted index rose from 123.5 to 126.4. In New York it closed at Ffr 7.9925, DM 2.5971, SwFr 2.147 and Y224.5. Page 35

New London bomb

London police dismantled a bomb found in a popular Arab nightclub and restaurant last night, the latest incident in a bomb blitz which police say is aimed at opponents of Libyan leader Colonel Muammar Gaddafi.

Heavy Gulf fighting

Heavy fighting was reported again in the Gulf with evidence mounting that Iraq used chemical warfare. A third Iranian soldier died of chemical-induced wounds in Vienna. Page 3. Three Iranian soldiers have arrived in London for treatment, and three were being sent to France.

'Ceasefire agreed'

Lebanese radio reported last night from its correspondent at the country's national reconciliation conference in Tyre that its leaders had agreed on a total ceasefire. Middle East, Page 5

FitzGerald in talks

Irish Premier Dr Garret FitzGerald discussed efforts for peace in Northern Ireland in talks in New York with United Nations Secretary-General Javier Pérez de Cuellar.

Terrorist raid

Irish police believe that the country's most wanted terrorist, Dominic McGlinchey, masterminded yesterday's raid at the Dublin offices of American Express in which travellers' cheques worth £500,000 (\$700,000) and £18,000 cash were stolen. The office manager and his family were held in their home at gunpoint.

French bomber jailed

Henri Eichholzer, 27, of France, was jailed for four years by a Tel Aviv court for helping a Palestinian guerrilla organisation to plan a bombing of a tower office block.

Sadat film impounded

An Egyptian court impounded all available copies of U.S. made film on the life of the late President Anwar Sadat until it decides on a case against its American producers. A spokesman in court was jailed for two years for an "insulting outburst".

Vietnam says no

Vietnam rejected proposals made by the Association of South-East Asian Nations calling for a gradual withdrawal of Vietnamese troops to bring about a solution of the Kampuchean problem.

'Save bears' call

Bears are vanishing from the Pyrenees and French conservationists called for urgent action to prevent their extinction.

EEC rifts remain as Brussels talks enter final phase

BY JOHN WYLES IN BRUSSELS

The European Community yesterday entered the last week before its vital summit with both farm and foreign ministers unable to generate convincing hopes of success.

The two groups of ministers met separately late into the evening in attempts to narrow their differences over key agricultural and budgetary issues, but their exchanges had increasingly taken on the character of a trial of nerves.

On agriculture, France, which presides over the Council of Ministers, appeared ready to weaken the summit's chances of success by leaving difficult farm problems for it to settle. The only hope is that the farm ministers can respond to this challenge by achieving a breakthrough late today.

On budgetary issues, Britain appeared to be prepared to face a summit breakdown unless its partners met its terms for closely controlling farm spending and permanently reducing its payments to the EEC budget.

Whether the desire to avoid another abortive summit after the debacle at Athens in December will be powerful enough to generate compromise may not be clear until the heads of government come together next Monday.

Foreign ministers yesterday devoted several hours to the British budget problem, for the first time since Athens. President Francois Mitterrand of France, in talks over the past few weeks with every other head of government, has explored possible solutions but has established on clear consensus on a mechanism for cutting Britain's payments.

Meeting informally at a chateau in a Brussels suburb, which once housed the final negotiations on the Treaty of Rome, establishing the EEC, the foreign ministers last night kept their talks a close secret.

The emphasis was on "intensive and private diplomacy" which would probably be continued in exchanges between the capitals right up to the eve of the summit, a British official said.

Agriculture ministers were more open about the lack of progress. The ministers yesterday worked line by line through proposals tabled on Sunday by M Michel Ro-

EMS wins plaudits but no promises for growth

BY OUR COMMON MARKET CORRESPONDENT IN BRUSSELS

EUROPEAN COMMUNITY economic and finance ministers yesterday celebrated the European Monetary System's fifth birthday by declaring satisfaction with its achievements but giving only the vaguest of undertakings to develop it further.

The discussion confirmed that the experience of the past five years was served only to strengthen the hopes and fears that surrounded the EMS when it was launched on March 13 1979.

Bonn's reservations about making the EMS anything more than a D-Mark-dominated currency system seem as strong as ever. Italian, Belgian and European Commission enthusiasm for creating a genuine currency system based on the European Currency Unit (Ecu) remains undiminished, and the UK still holds the unwavering conviction that sterling's status as a petrocurency makes its immediate participation in the EMS "inappropriate."

Nevertheless, the 10 rallied behind a statement affirming that the EMS had achieved the basic objective set for it by the EEC summit in Bremen in the summer of 1978. "A closer monetary co-operation" had been established and that had led to a zone of monetary co-operation in Europe, they said.

Exchange-rate fluctuations had been considerably reduced, the co-ordination of monetary supplies strengthened and there has been considerable progress towards the convergence of economic situations," said the declaration delivered without comment to a new conference by M Jacques Delors, France's Finance Minister and current president of the Economics and Finance Council.

According to their original undertakings, the 10 should have created that sterling's status as a petrocurency makes its immediate participation in the EMS "inappropriate."

UK coal miners clash as strike widens

By John Lloyd and David Brindle in London

BRITISH mining union leaders succeeded yesterday in bringing out on strike just over half the country's 184,000 miners in protest at pit closures.

Other miners are waiting to vote on the issue. Mr Mick McGahey, vice-president of the National Union of Mineworkers (NUM), predicted "a total stoppage" by the end of the week.

Henry picket lines at South Wales and Scottish mines, where there has been opposition to a strike, deterred thousands of men from working. In South Wales, the majority of men voted last weekend to work, but the local NUM president, Mr Emyln Williams, estimated that 85 per cent of the 20,000 workforce were on strike yesterday.

There were violent clashes between supporters and opponents of the strike at one Scottish pit.

Mr Peter Walker, the Energy Secretary, and Mr Ian MacGregor, the National Coal Board (NCB) chairman, both emphasised yesterday the splits in the miners' ranks.

Mr Walker, speaking in the House of Commons, said: "I am not going to intervene in what is basically a clear-cut position of a management that wishes to invest more in economic pits, cut out the burden of uneconomic pits and do it in a civilised, generous way."

Mr MacGregor, speaking in North-East England, warned that "prolonged strike action could probably accelerate the programme of pit closures." The NCB has not said which of the country's 173 pits it intends to close, but it has announced plans to cut production by 4m tonnes, to 97.4m tonnes, in 1984-85. It is estimated that 20,000 jobs will be lost.

Support for the miners' strike is being given by the Transport and General Workers' Union. The union's executive has called on its 1.6m members not to handle coal in transit to power stations, or to other locations which might weaken the effect of the NUM's action.

Mr Arthur Scargill, president of the NUM, made no official comment yesterday, but the union's executive was privately delighted with the reports coming back from the coalfields. Despite the predictions of deep divisions and rebellions, the only coalfield which voted on the issue and was working normally was Northumberland.

In Scotland, those miners set to rebel against the executive's strike call were repelled or worn down by heavy picketing.

Senate may try to curb U.S. oil bids

BY WILLIAM HALL IN NEW YORK

PLANS FOR a six-month moratorium on mergers between the top 50 U.S. oil companies, which would include Shell's \$13.2bn bid for Gulf and Mobil's \$5.7bn bid for Superior Oil, will be introduced in the U.S. Senate today.

A similar move earlier this month was defeated by 52 votes to 42, but following Sunday's announcement of Mobil Oil's \$45 per share offer for Superior Oil there is growing evidence the U.S. Congress is poised to act to curb the series of mega-mergers in the U.S. oil industry.

Since the beginning of the year Texaco has agreed to take over Getty Oil for \$10.1bn and Royal Dutch Shell is offering to buy out the minority in Shell Oil for \$5.2bn. Last week Shell bid for Gulf and Mobil has now bid for Superior Oil, the biggest independent as opposed to integrated oil company in the U.S.

Superior has no marketing or refining operations, unlike most of the other takeover candidates in the U.S. oil industry. Consequently Mobil, the second biggest U.S. oil company, says "no anti-trust impediments are anticipated." Superior accounts for less than 1 per cent of U.S. production and Mobil accounts for less than 3 per cent.

There are signs that U.S. politicians are becoming increasingly concerned about what they see as unproductive mergers in the oil industry.

Senator J. Bennett Johnston, the senior Democrat on the Senate energy committee and the author of the six-month ban, said yesterday the result of the current merger mania in the U.S. oil industry will be fewer and bigger oil companies which are much more in debt and will have less money available for finding new oil and gas wells.

Senator Howard Metzenbaum, another trenchant critic of the current merger wave, has described the mergers as "almost obscene."

"They have absolutely no redeeming social or economic value. They do not make sense as a matter of national energy or antitrust policy," he said recently. With Senator Johnston, Senator Metzenbaum has been lobbying to get legislation passed to curb the current mergers.

Although industry analysts foresee few problems with the Federal Trade Commission which will have to vet the latest mergers, they are conscious that Mobil's efforts in 1981 to acquire Marathon Oil resulted in the House of Representatives' passing legislation preventing it proceeding.

Superior logic, Page 17

Sharp to build £15m VCR plant in Wales

BY TERRY POVEY IN TOKYO

SHARP, one of Japan's leading manufacturers of consumer electronics and business machines, yesterday announced plans to spend £15m (\$22m) on building a video cassette recorder (VCR) plant in Wrexham, North Wales.

Construction of the plant is due to start in April and production is expected to start in February 1985. Output is expected to reach 60,000 units a year initially with 240,000 as a target for 1990.

First production from Wrexham will be for the UK market, but Sharp hopes to export to other EEC countries later. To meet the EEC's understanding on local content for Community circulation, Sharp would need to build local content up to about 45 per cent. It hopes to achieve this by the end of 1985.

Sharp has become a major force in Japan's VCR, personal computer, electronic calculator and office automation markets in the last five years. Its group sales in the year to March 31 1983 were ¥988bn (\$4bn), up 22.6 per cent on the previous year. Net profits were a record ¥29.9bn.

Jason Crisp adds from London: The decision means that all of Japan's leading consumer electronics companies have investments in the UK. Mr Norman Lamont, Britain's Industry Minister, said yesterday Sharp is the tenth Japanese company to produce VCRs in Europe and the fifth to make them in the UK. The other companies in Britain are JVC - in a joint venture with Thorn EMI and Telefunken - Sanyo, Mitsubishi and Toshiba. Once these companies meet their full production targets they will be making more than 800,000 VCRs a year.

Details, Page 10

CONTENTS

Europe	2	Editorial comment	14
Companies	17	Euro-options	29
America	4	Financial Futures	35
Companies	17	Gold	34
Overseas	3	Int. Capital Markets	36
Companies	18	Letters	14
World Trade	8	Lex	12
Britain	10, 11	Market Monitor	25
Companies	20, 22-23	Men and Matters	14
Agriculture	34	Mining	22
Arts - Reviews	13	Money Markets	35
World Guide	24	Raw materials	34
Commodities	24	Stock markets	29
Crossword	32	Wall St.	27
Currencies	35	London	25, 29-31
Weather	35	Technology	6
		Unit Trusts	22, 33
		Weather	35

Barclays plans powerful role in world securities trading

BY DAVID LASCELLES AND JOHN MOORE IN LONDON

BARCLAYS BANK, Britain's largest and most powerful financial institution, is planning to play a powerful new international securities company" based on a partnership with two leading members of the London Stock Exchange.

The deal is by far the most ambitious of the many links that are being established by London institutions as deregulation breaks down the barriers in the financial markets.

At the same time Samuel Montagu, the merchant bank subsidiary of Midland Bank, confirmed that it has agreed to buy an interest in W. Greenwell & Co, the leading stockbroker.

Sir Timothy Bevan, the chairman of Barclays, said yesterday that the new company would:

- Seek to become a force in the securities industry in the UK and abroad.
- Improve Barclays' services for corporate clients; and
- Offer discount, "no frills" brokerage services to individuals.

The partners in the venture are Wedd Duriecher Mordaunt & Co, one of the largest jobbing firms on the Stock Exchange, and de Zoete & Bevan, a big UK stockbroker. Sir Timothy said: "Each can bring different assets to the party."

As a first step in forging the partnership, Barclays will become a 29.9 per cent limited partner in Wedd, the maximum allowed by current market regulations, and raise this stake to 75 per cent when the rules permit. Barclays will then acquire a similar interest in de Zoete when it gets approval from the Stock Exchange.

The cost to Barclays of the deals was not disclosed. The transactions are being structured so as to make it attractive for the partners to remain after Barclays has taken control.

In a joint statement, Sir Timothy, Mr John Robertson, senior partner of Wedds, and Mr James Titcomb, senior partner of de Zoete, said they were confident the combination "will form the core and basis for development of a powerful new international securities company, incorporating Barclays' extensive United Kingdom and worldwide resources and network."

Barclays, with £65bn (\$94.9bn) in assets, has more than 3,000 branches in the UK and 64 countries. It is already represented on the Paris, Geneva and Milan stock exchanges and plans to enter the U.S. market as a broker when the law barring banks from the securities business is changed.

The exact workings of the new venture have apparently not been determined. Sir Timothy said it would be "wrong" to have precon-

BNP

Banque Nationale de Paris p.l.c.

8-13 King William Street, London EC4P 4HS,
Telephone: 01-626 5678, Telex: 883412 BNP LNB

Knightsbridge: 01-581 0104 Manchester: 061-228 0611
Leeds: 0532-443633 Birmingham: 021-236 9735
Edinburgh: 031-226 6855

BNP Group Head Office:
16 Boulevard des Italiens, 75009 Paris

Continued on Page 16
Unsung success story, Page 15

Fuller Peiser
Chartered Accountants
Progressive and Professional

UK banks: the financial revolution	14	Editorial comment: Argentina; UK budget	14
The EMS: an unsung story of success	15	Lombard: can UK investor protection work?	15
West Germany: right time to take a risk?	25	Lex: Barclays Bank; IMI; Steetley	16
Technology: industrial use of microbes	6	Mobil: Superior logic pays off	17
Management: the rising cost of buyouts	12	Oman: Survey	Section IV

EUROPEAN NEWS

Gonzales stands firm on tough economic policy

BY DAVID WHITE IN MADRID
SR FELIPE GONZALEZ, the Spanish Prime Minister, has come to the aid of his beleaguered industry Minister, Sr Carlos Solchaga, with a promise to press ahead with tough policies towards overmanned sectors such as steel and shipbuilding.

Spain pursues terrorism problem at UK talks

BY OUR MADRID CORRESPONDENT
THE SPANISH Government is pursuing its campaign for greater European co-operation in combating terrorism with a two-day visit to London by Sr Jose Barrionuevo, the Interior Minister.

Vienna and Belgrade close ranks in face of East-West tension

BY PATRICK BLUM IN VIENNA
THE VISIT to Austria of President Milka Spiljak, of Yugoslavia, which starts today, will strengthen ties between the two countries in face of what both see as increasing East-West polarisation.

As two small countries surrounded by powerful neighbours they have sought to close ranks: a task made easier by Yugoslavia's non-alignment and Austria's neutrality.

Reflecting the desire of both Austrian and Yugoslav governments to play down the issue, President Spiljak has declined to meet a Slovene delegation during its three-day visit here.

France seeks role in Norwegian gas field

BY FAY GJESTER IN OSLO
THE EUROPEAN Community, and in particular France, would like to see its industry involved in the early development of Norway's giant Troll gas field.

W. German terrorists' bomb claim

Cologne - Terrorists have claimed responsibility for a bomb attack early yesterday on government-owned foreign aid agency, police said.

EEC withdrawal puts Greenland in turmoil

NUUK, Greenland - This vast Arctic island was in a political crisis yesterday after the Government won parliamentary backing for the terms making Greenland the first country to opt out of the European Common Market.

Germans flee to the West

HANNOVER, An East German border guard scaled a fence and two bricklayers fled across a heavily mined section of the communist frontier yesterday in two escapes to the West, authorities said.

Swedes win Sun Oil deal

GOTAVERKEN ARENDAL, the Swedish shipbuilder, will be named as prime contractor for Sun Oil's Balmoral oilfield floating production platform later today.

Chernenko presses line on cruise in talks with SPD

THE NEW Soviet leader, Mr Konstantin Chernenko, yesterday told a delegation of West German Social Democrats led by Herr Hans-Jochen Vogel, the SPD opposition leader that the Soviet position on resuming cruise talks with the West was unchanged.

Turkey proposes non-aggression pact for Cyprus

By David Barchard in Ankara
THE TURKISH Cypriot leader, Rauf Denktaş, has challenged the Greek Cypriot administration to accept a non-aggression pact.

BDI chief appointed

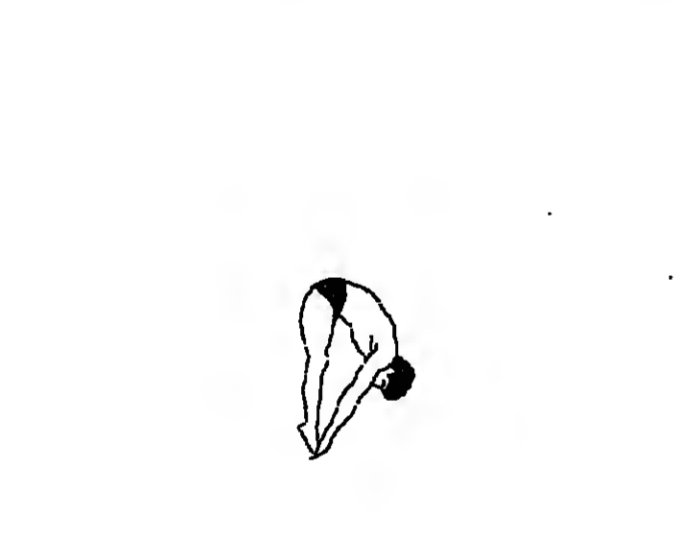
BY JONATHAN CARR IN FRANKFURT
THE LONG search for a successor to Dr Rolf Rodenstock, president of the Federation of German Industry (BDI) since 1978, has ended.

W. German hours battle hot up

BATTLE LINES in the struggle over a shorter working week in West Germany hardened yesterday when 6,000 workers in the metal industry staged short "warning strikes" in support of the introduction of a 35-hour week without loss of pay.

£1bn 'lost down Irish green holes'

By Our Dublin Correspondent
AS MUCH AS £1bn (£819.6m) has disappeared from the Irish national accounts for the year just ended, according to Dr Antoine Murphy, a senior lecturer in the Department of Economics at Trinity College, Dublin.



In air travel, you look good when you stay in control.

The Air Travel Card lets you stay in control of your company's air travel expenses. That's because it's exclusively for air travel and related expenses.

annual fee or monthly charges, whether you issue 5 cards or 5000. In addition, your employees will appreciate the value and prestige of using a card recognized throughout the world.

Please send me more information. Name/Title, Company, Business Address, Phone.

The Air Travel Card. The LONG search for a successor to Dr Rolf Rodenstock, president of the Federation of German Industry (BDI) since 1978, has ended.

W. German hours battle hot up

more flexible hours and the Bonn Government's offer to aid early retirement were a better solution for record unemployment of 2.5m.

Chernenko presses line on cruise in talks with SPD

Herr Vogel's candidature in the West German elections last year did not have the desired effect and the conservative Christian Democrat Party was elected with a large majority.

Turkey proposes non-aggression pact for Cyprus

Mr Denktaş's remarks, made amid Turkish apprehensions that Greece might be planning to alter the military balance in the island by sending in a division of troops, were made in Istanbul while he was travelling to New York.

BDI chief appointed

His election at the BDI assembly in May is now considered certain and he will take up his new job next January.

Chernenko presses line on cruise in talks with SPD

THE NEW Soviet leader, Mr Konstantin Chernenko, yesterday told a delegation of West German Social Democrats led by Herr Hans-Jochen Vogel, the SPD opposition leader that the Soviet position on resuming cruise talks with the West was unchanged.

Turkey proposes non-aggression pact for Cyprus

By David Barchard in Ankara
THE TURKISH Cypriot leader, Rauf Denktaş, has challenged the Greek Cypriot administration to accept a non-aggression pact.

BDI chief appointed

BY JONATHAN CARR IN FRANKFURT
THE LONG search for a successor to Dr Rolf Rodenstock, president of the Federation of German Industry (BDI) since 1978, has ended.

£1bn 'lost down Irish green holes'

By Our Dublin Correspondent
AS MUCH AS £1bn (£819.6m) has disappeared from the Irish national accounts for the year just ended, according to Dr Antoine Murphy, a senior lecturer in the Department of Economics at Trinity College, Dublin.

Chernenko presses line on cruise in talks with SPD

THE NEW Soviet leader, Mr Konstantin Chernenko, yesterday told a delegation of West German Social Democrats led by Herr Hans-Jochen Vogel, the SPD opposition leader that the Soviet position on resuming cruise talks with the West was unchanged.

Turkey proposes non-aggression pact for Cyprus

By David Barchard in Ankara
THE TURKISH Cypriot leader, Rauf Denktaş, has challenged the Greek Cypriot administration to accept a non-aggression pact.

BDI chief appointed

BY JONATHAN CARR IN FRANKFURT
THE LONG search for a successor to Dr Rolf Rodenstock, president of the Federation of German Industry (BDI) since 1978, has ended.

£1bn 'lost down Irish green holes'

By Our Dublin Correspondent
AS MUCH AS £1bn (£819.6m) has disappeared from the Irish national accounts for the year just ended, according to Dr Antoine Murphy, a senior lecturer in the Department of Economics at Trinity College, Dublin.

FINANCIAL TIMES, US\$ 10.00 per copy. U.S. subscribers may order by air mail. POSTMASTER: Send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

OVERSEAS NEWS

Evidence mounts of chemical weapons use by Iraqis

BY OUR MIDDLE EAST STAFF

HEAVY FIGHTING was reported again yesterday in the Gulf war as evidence mounted that Iraq has used chemical weapons to push back Iranian offensives.

Dr Herbert Mandel, the head of the Austrian team treating Iranian victims in Vienna, said yesterday that the three soldiers who had so far died had been subjected to mustard gas poisoning.

"The cause of death was definitely the effects of mustard gas and yellow rain; we have established that now without doubt," he said. Three other Iranian troops in Vienna were in a critical condition and Dr Mandel said they were not expected to live.

Iraq claimed yesterday to have driven back another Iranian offensive to the north-east of Basra where the heaviest fighting has been concentrated for the past fortnight. An Iraqi military committee said that a "very large number" of Iranian troops had been killed or wounded and the attacking force "completely wiped out."

The scene of the fighting is believed to have been the area around the Majnoon oilfields, just inside the international border, which the Iraqis are still holding.

Alli Akbar Velayati, the Iranian Foreign Minister, who

arrived in Algeria for talks yesterday, said earlier that the Gulf war had gone beyond the point of mediation. He said the conflict would have to be settled on the battlefield.

U.S. Defence Department officials have said that up to 500,000 Iranian troops are massed for possibly a "decisive" battle.

Iraq meanwhile hopes that most Arab states will send their Foreign Ministers to Baghdad today for a special meeting on the Gulf war. The aim of the meeting would be to provide a show of Arab support for Iraq and also to explore any opportunities for mediation.

The six members of the Gulf Co-operation Council, headed by Saudi Arabia, met in Riyadh on Sunday to prepare for the Baghdad talks. They privately expressed hopes that Algeria would agree to play a key role in establishing some form of a dialogue between Iraq and Iran.

The majority of Arab countries have only provided token support for Iraq in the war while Saudi Arabia and other countries have contributed at least \$30bn. Syria and Libya have both backed Iraq.

However, Mr Abdullah Bishara, the secretary general of the Gulf Co-operation Council, denied yesterday that its members were planning a fresh initiative to end the war.

Gemayel gets cool reception at talks

By Anthony McDermott

THE LEADING representatives of the Lebanese Left gave a deliberately cool reception to the speech by President Amal Gemayel in Lausanne yesterday to open the second round of the Lebanese reconciliation conference.

However, the conference completed a first two-hour session in which they agreed to establish a multi-party committee to set up a ceasefire in Lebanon.

Mr Gemayel delivered his conciliatory but somewhat bland speech from a table on his own, flanked by two large Lebanese national flags, in a small, elegant conference chamber in the Beau Rivage Hotel.

Mr Walid Jumblatt, the Druze chief and leader of the Progressive Socialist Party, at a separate table, had decorated his place with a small red-and-white party flag.

He and Mr Nabih Berri, head of the Shia Amal Party pointedly looked ahead as the President read his speech in uncharacteristically subdued tones, while the other six representatives of the main Lebanese political and religious factions followed the text. They also applauded at the end while Mr Jumblatt and Mr Berri did not.

Trivial as these gestures might seem, they underline the very considerable differences between the two main sides.

The opening of the second conference - the first was held in Geneva last November - was delayed until the afternoon because Mr Abdel-Halim Khaddam, Syria's newly-appointed Vice President for Political and Foreign Affairs, who has the status of observer, was conferring with Mr Jumblatt in Geneva. In the event, the opening session was held without him but in the presence of Mr Rafiq Hariri, a Sunni official and also the only other one with observer status. Both countries had done much work behind the scenes to bring the conference about.

Assad's brother gains succession foothold

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

THE APPOINTMENT of three vice-presidents in Syria provides confirmation of the struggle for the succession which was provoked by President Hafez Assad's serious illness last autumn.

Although the appointments in no way prejudice the issue, they do provide a major constitutional foothold for Mr Rifaat Assad, the President's controversial younger brother who has been manoeuvring for a more public assertion of his right to claim the presidency should it fall vacant.

Rifaat Assad has been appointed second vice-president after Mr Abdul-Halim Khaddam who is described as first vice-president for political and foreign affairs.

Mr Khaddam's presence at the Lebanese reconciliation talks in Lausanne emphasises the probability that Lebanon will continue to be his primary concern.

Described by a Western diplomat as the "Gromyko" of the Syrian regime, Mr Khaddam is an immensely experienced politician who has won considerable respect in Damascus without achieving the military power base which would make him a stronger contender for the highest office.

Rifaat Assad, on the other hand, does have that power base through his command of the Defence Brigades, the 25,000 strong unit which is charged with the ultimate defence of the regime. Equipped with the

latest and most sophisticated Soviet equipment, the Defence Brigades are primarily deployed around Damascus and would have a powerful influence on any future power struggle.

Rifaat Assad has not, however, succeeded in widening his military command. Reports from Damascus suggested that he was seeking to add the Ministry of Defence to his portfolio, but this remains in the hands of the long-serving General Mustapha Tlas.

President Assad has always been careful to spread military power over a number of commands and will have been all too aware of the clash of personalities between his brother, the head of military intelligence and the commander of

the Special Brigades, the elite unit which distinguished itself last year by its stubborn defence of the Damascus to Beirut road during the Israeli invasion of Lebanon.

The third vice-president in the new constitutional arrangement is Mr Mohammed Zuhair Masraqa, the regional under-secretary of the ruling Baath Party. His primary task is likely to be the maintenance of close links between the party and the Government and to represent special interests at the highest levels of the regime.

How closely the three men need to work together will depend in large part on the extent to which President Assad's health dictates that he should

relinquish some of his workload. The President has declared that he wishes to share his burdens, but in terms of overall policy it is likely that he will retain a firm personal grip.

Mr Abdel Raouf Kasm has been kept on as Prime Minister by President Assad. One Cabinet post filled is that of Foreign Minister, in succession of Mr Khaddam. Mr Farouk Shara moves up from Minister of State for Foreign Affairs, although it appears unlikely that he will exert quite the same authority as his predecessor. But he is one of the most articulate spokesmen for the regime and has already made a favourable impression on diplomats visiting Damascus.

Zimbabwe output declines by 4% in 1983

BY TONY HAWKINS IN HARARE

ZIMBABWE'S real Gross Domestic Product fell at least 4 per cent in 1983 according to the Reserve Bank of Zimbabwe.

The Central Bank in a rather sombre review of the Zimbabwean economy published yesterday in the quarterly economic review, says that this followed a 2 per cent rise in real GDP in 1982. More recently compiled official estimates, however, suggest that in 1982 there was a small decline of about one per cent in output.

The Bank attributes the decline to output last year primarily to a 15 per cent fall in agricultural production. Out-

put also fell in manufacturing and distribution.

The Central Bank says that recovery in the overall external payments position, says the Bank. This is because invisible payments will continue to rise, capital inflows will be small and major capital repayments have to be made.

The Bank calls for a continued policy of export promotion, restraint on invisible payments abroad and intensified efforts to attract capital inflows. It says that Zimbabwe's overall balance of payments deficit in 1983 is likely to have been significantly higher than the

expected improvement in the balance of trade is unlikely to be matched by a major recovery in the overall external payments position, says the Bank. This is because invisible payments will continue to rise, capital inflows will be small and major capital repayments have to be made.

The Bank calls for a continued policy of export promotion, restraint on invisible payments abroad and intensified efforts to attract capital inflows. It says that Zimbabwe's overall balance of payments deficit in 1983 is likely to have been significantly higher than the

Z\$185m (f116m) experienced in 1982.

The report shows a 41 per cent jump in the central Government's foreign debt between September 1982 and the same month last year.

Publication of the Bank's views on invisible payments comes at a time of mounting speculation that the Government will soon announce far-reaching measures to reduce the outflow of invisible payments.

The tighter restrictions are likely to reduce dividend, interest, and profit remittances abroad.

Vietnam turns down Asean troop proposal

By Kieran Cooke in Jakarta

VIETNAM HAS rejected the latest proposal by countries in the Association of Southeast Asian Nations (Asean) for a settlement of the Kampuchea question.

After more than six hours of talks between Prof Mochtar Kusumaatmadja, the Indonesian Foreign Minister, and Nguyen Co Thach, his Vietnamese counterpart, Prof Mochtar said that an Asean appeal made in a withdrawal on a zone-by-zone basis of an estimated 170,000 Vietnamese troops from Kampuchea had been turned down by Co Thach.

Co Thach told Dr Mochtar that the appeal amounted to unilateral withdrawal of Vietnamese troops which was totally unacceptable.

Charges dropped

Financial Times Reporter

CHARGES HAVE been dropped against two correspondents in South Africa for foreign newspapers, Mr Allister Sparks of the Washington Post, and Mr Bernard Simon of the Financial Times. Mr Sparks had been charged with quoting a banned person in a newspaper article, and Mr Simon, together with Mrs Sue Sparks, of "defeating the ends of justice." No case was presented in the Johannesburg magistrates' court yesterday.

Murdered Malaysian banker trial starts in Hong Kong

BY ROBERT COTTRELL IN HONG KONG

MR. MAK POON-THAN, the 32-year-old Malaysian charged with the murder in Hong Kong last July of Mr. Jalil Ibrahim, an executive of Bank Bumiputra Malaysia, pleaded not guilty when his trial opened here yesterday.

The trial was adjourned for a week at the request of Mr. Colin Minter, defence counsel, who told the court that he had only just met his client and required more time to prepare the case.

Mr. Jalil was abducted last year from Bank Bumiputra in Kuala Lumpur, to Bumiputra

Malaysia Finance (BMF), the bank's wholly owned Hong Kong subsidiary. His posting coincided with investigations into large loans made by BMF in certain Hong Kong property developers, including the now bankrupt Carrion group, to which BMF lent HK\$3.6m (\$397m at current exchange rates). Mr. Jalil was found strangled in a banana plantation in the Colony in July. Mr. Mak was arrested in August.

Prior to the arrest, Mr. Mak was insured in a fall. He walked into court yesterday with the aid of a crutch.

Rajiv Gandhi tightens grip on Congress

BY K. K. SHARMA IN NEW DELHI

THE Indian Prime Minister's son, Mr Rajiv Gandhi, at the weekend started the process of preparing the Ruling Congress (I) for parliamentary elections and, in effect, demonstrated that he is now in virtual control of the party.

He did this by organising a conclave of more than 2,500 Congress members of parliament and state legislatures and other senior party leaders where they were questioned on the steps taken by them to nurture their constituencies.

The questioning was resented by many delegates, notably by the senior members in the party, but there is little they

can do as Mrs Indira Gandhi has given her support to Rajiv's efforts. Nominally, Rajiv is one of the five general secretaries of Congress.

The conclave can be considered a landmark because of the tightening of the reins by Rajiv on the Congress organisation and also because it signalled the start of preparations for the coming elections.

The conclave also indicated that the recent speculation that Mrs Gandhi would call an early election has been ill-founded. Rajiv has announced that the national Congress meeting of parliamentaries held in New Delhi at the weekend will be

followed by similar regional conferences next autumn. This suggests that the elections will not be held earlier than in December or January.

The intervening period is to be used by Rajiv to force Congress members of parliamentaries and other local party leaders to prepare all constituencies for the elections.

None of the major national opposition parties has made any preparation for the elections, mainly because they have found it impossible to respond to initiatives for unity. Unless these initiatives succeed, there will be multi-cornered contests in nearly all parliamentary

constituencies. These will favour Congress. Previous elections have shown that Mrs Gandhi's party profits by the divisions among the opposition parties and wins without gaining a 50 per cent vote.

They are using modern management practices and concepts to gear up the Congress organisation.

What they have failed to anticipate is that such techniques do not necessarily work as political tools. There has been considerable grumbling among senior Congress leaders in the way Rajiv and his aides have ridden roughshod over them.

Wordplex completes the office automation picture

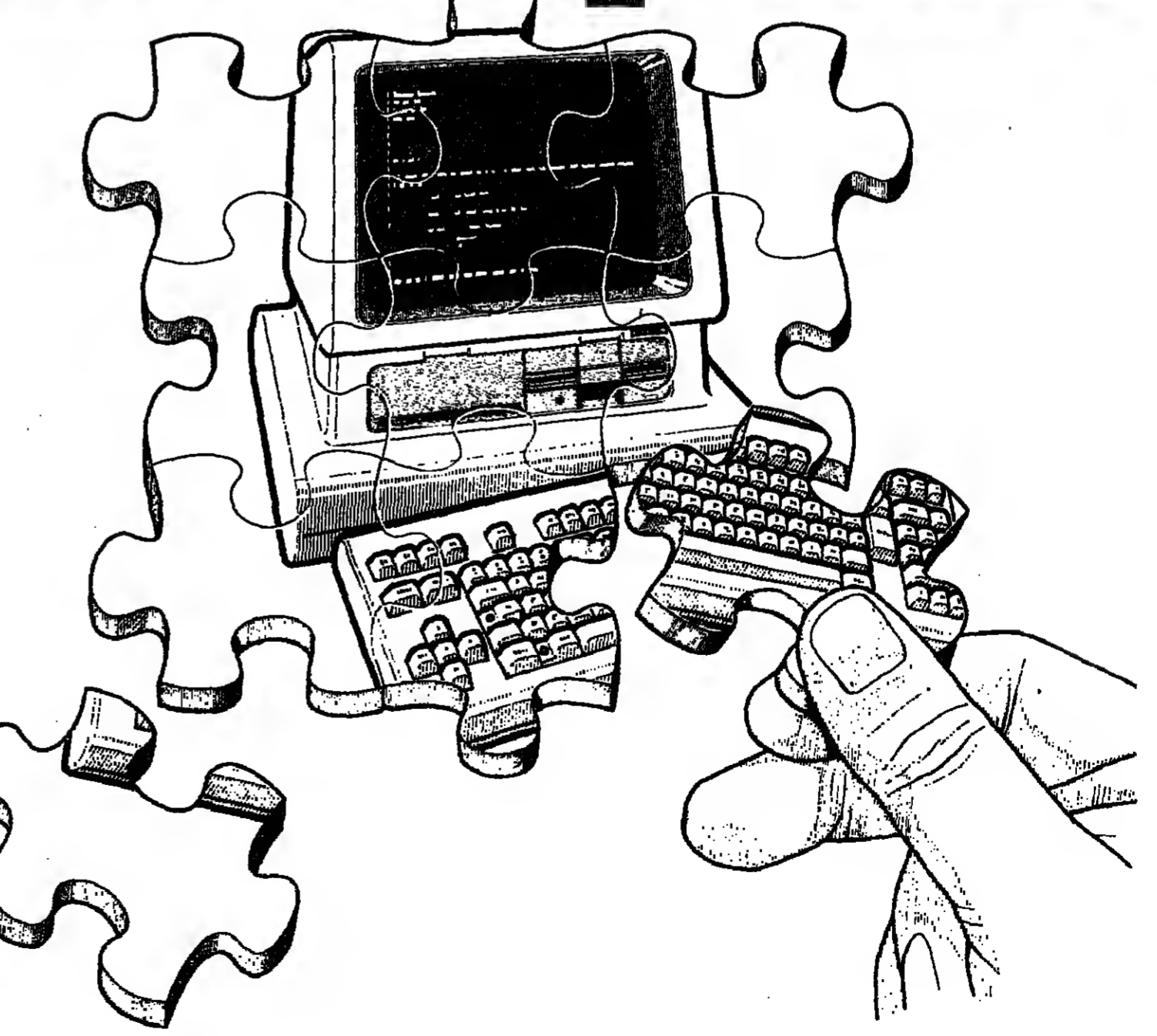
To date Wordplex has completed the office automation picture for many of the UK's largest corporations, local government and nationalised industries. So what do you need to get the complete picture? Just having the best equipment is not enough.

- ... highly trained Wordplex service and support staff operating from local Support Centres provide a nationwide service.
- ... people with years of experience in understanding and solving office automation problems and who speak your language.
- ... research and development facilities on both sides of the Atlantic ensure the best combination of high technology hardware and flexible friendly software.
- ... international operations in 21 countries controlled from the UK make certain the confirmed growth and stability of Wordplex. An important consideration when investing in your company's future.

If you're making a decision about the future of your office productivity you should be looking at the complete picture Wordplex can offer.

Wordplex Limited
Excel House, De Montfort Road, Reading,
Berks RG1 8LP.
Tel: 0734 585242 Telex: 848560

WORDPLEX
We're changing things at the office



Reflecting the... both Austria and... governments to... the issue, President... Slovenia delegation... three-day visit... On the... Yugoslavia is likely... more Austrian... slavia owed... \$566m - and... Yugoslavia's... Austria... Austria... Yugoslavia fell... cent to 30... last year... 14.5 per cent... leaving a deficit of...

tension

Reflecting the... both Austria and... governments to... the issue, President... Slovenia delegation... three-day visit... On the... Yugoslavia is likely... more Austrian... slavia owed... \$566m - and... Yugoslavia's... Austria... Austria... Yugoslavia fell... cent to 30... last year... 14.5 per cent... leaving a deficit of...

German flee to the West

HANNOVER An East... der guard scaled a fence... mirrored section of the... frontier yesterday in... made it to West Germany... unimpeded... West German... 20-year-old... while on patrol in an... frontier area of... firing devices. F... his escape were not... available.

German flee to the West

The two bricklayers... 34, said they fled to the... cause they faced political... economic difficulties at home... ing to police.

£1.1bn 'led down Irish green hole

By Our Dublin Correspondent
AN £1.1bn... has disappeared from... national accounts for... had ended, according... Anton Murphy, a... lecturer in the... Economics at... Dublin. He says that... explained the... flow may be "the... of... in the... of the state."

AMERICAN NEWS

U.S. capital spending plans revised upwards

By Stewart Fleming in Washington

The U.S. corporate sector has revised its capital spending plans for 1984 sharply upwards as a result of the unexpectedly strong performance of the economy in the past few months, the Commerce Department reported yesterday.

The Department said yesterday that corporate spending on plant and equipment is planned to increase by 13.5 per cent to \$235.8bn according to the results of its latest survey in late January and February, in its previous survey, in November and December 1983, the Department forecast a 10 per cent rise in capital spending in current dollar terms for 1984.

The results of the capital spending survey are the first set of economic statistics due to be released this week expected to confirm that the economy has been growing strongly in the first quarter.

Although overall capital spending on plant and equipment declined by 4.4 per cent from its 1982 level last year, expenditure hit a rising trend in the second half of the year and has been seen as a factor which will help to keep the economy moving forward in 1984.

Although spending is rising, there are fears that a substantial part of the outlay is going on labour saving and computer equipment end on motor vehicles, which are not primarily designed to increase productive capacity.

Super Tuesday test for Mondale's battered credibility

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

"It's a nice-looking hun," said Mr Lane Kirkland at the weekend, "but where's the beef?" Mr Kirkland, leader of the country's largest trade union federation, the AFL-CIO, was hectoring a current American hamburger advertisement to take a swipe at a fellow Democrat.

His target is the 47-year-old Senator Gary Hart of Colorado, whose surging "new ideas" campaign has upset all the pundits' calculations in this year's race for the Democratic presidential nomination.

Mr Mondale, his backers in the Democratic Party and trade union establishment, and the three other trailing candidates (Mr John Glenn, Mr Jesse Jackson and Mr George McGovern) are now all desperately trying to stop Mr Hart.

So far, Mr Hart's victories have come in the small states of northern New England—New Hampshire, Maine and Vermont—although he has also won sparsely-populated Wyoming in his first race.

So far, Mr Hart's victories have come in the small states of northern New England—New Hampshire, Maine and Vermont—although he has also won sparsely-populated Wyoming in his first race.

There are also legal restrictions. To become President the candidate must be at least 35 years old, have lived in the U.S. for 14 years and be a "natural born" American. Under a 1951 constitutional amendment, nobody can be elected President more than twice.

3,933-member national convention in San Francisco. Primaries are being held in Florida, Georgia, Alabama, Massachusetts and Rhode Island, caucuses in Oklahoma, Nevada, Washington and Hawaii. After four successive defeats by Mr Hart, Mr Mondale must show he can still be a winner.

Mr Mondale has drawn the lines of battle in the south, where Mr Hart is relatively unknown and has little organisation.

During his southern swing, Mr Mondale's mood has varied from resentful and disoriented to relaxed and cheerful. A debate in Atlanta on Sunday evening revealed a confidence and aggressiveness that has been lacking in his campaign so far.

Descending from his chartered Boeing 727 in Mobile on Friday evening, Mr Mondale took the unprecedented step of announcing that he candidly expected to win Alabama.

The candidates compete for delegates in the months before the convention as each of the 50 states selects its allotted number of representatives, allocated either in proportion to population. On the Democratic side, for example, a state may have as few as 14 delegates (Alaska) or as many as 345 (California).

The states choose their delegates either in primary elections or through the party apparatus—caucuses, conventions and committees at local, district and state levels.



Hart v Mondale... the key test happens today

the massive defections to Mr Hart by people who don't want to back a loser, and to establish the contest is now a two-man race. Mr Mondale must try to draw as many as possible of Alabama's blacks away from the fiery Mr Jesse Jackson if he is to be sure of carrying the state.

His aim was twofold—to stop

George and Alabama, and do well in Florida, he will still be in the race. He has virtually abandoned any hope of winning in Massachusetts, where the latest polls show Mr Hart with a commanding lead. His aim must be to hold on until the March 17 caucus in Michigan

and the March 20 primary in Illinois. Heleatedly, Mr Mondale has started coining slogans to sum up the nature of his candidacy. "I am what I am. No new hair spray. What you see is what you get."

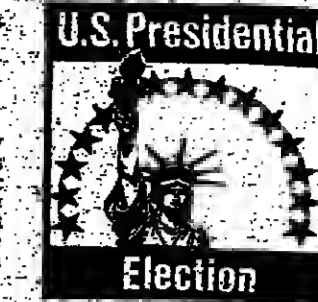
He stresses his experience, as President Jimmy Carter's vice-

president, his long list of party and senate credentials and his " guts and compassion". Mr Hart, he makes out, is no more than a trendy flibberty-gibbet whose latest vogue has no more substance than that of the Cabbage Patch doll.

Mr Mondale's problems, however, are many. He is not yet used to his new underdog role, and he is not really sure what he is up against.

What is clear is that Mr Mondale has made a series of strategic mistakes. He backed, in his position of front-runner, travelling the country in quasi-imperial style, as if his nomination was a foregone conclusion. He associated himself so closely with the party machine and the labour movement, and rejected in such a string of powerful political endorsements, that many voters felt he was being foisted upon them. He never really defined his "message".

New Hampshire, a mischievous state that does not like front-runners, exposed his vulnerability. Although many voters would be hard-pressed to define what Mr Hart's new ideas really are, they liked the idea of an alternative to the party machine—and Mr Hart's unabashed cultivation of the



John F. Kennedy image has done him nothing but good.

If the polls are to be believed, about 60m people across the nation have swung to Mr Hart in the last few days. Without the media, and especially television, it could not have happened. By grabbing the limelight in New Hampshire, Mr Hart catapulted himself into the front pages, and the network TV screen in a deluge of free publicity. He has hardly needed the funds and the organisation that Mr Mondale has amassed so painstakingly over almost four years. Mr Mondale's massive organisation in the words of one of Mr Hart's advisers, has become his magnet line. But if Mr Hart is to stand a real chance of beating Reagan in November he still has to convince a wider cross-section of the voters that he has some real beef in his bun.

Wanted, for the world's top job: A white Protestant man

IT IS one of the greatest of American myths that any child born in the U.S. can grow up to be President. But history tells a rather different tale.

With one exception (President John F. Kennedy, who was Roman Catholic) all U.S. Presidents have been white, Protestant males. There has never been a woman, a Jew or a black.

Nor, in recent history, has anyone reached the White House without a great deal of their own or their supporters' money behind them.

As well as money, today's candidate needs time. The last three elected Presidents (Nixon, Carter and Reagan) were all previously temporarily "unemployed" political figures—none of them held public office in the year or two preceding their successful election bids.

There are also legal restrictions. To become President the candidate must be at least 35 years old, have lived in the U.S. for 14 years and be a "natural born" American. Under a 1951 constitutional amendment, nobody can be elected President more than twice.

tion years are, incidentally, normally leap years.

The election traditionally boils down to a contest between the official candidates of the two major parties, the Democrats and the Republicans, each with a Vice-Presidential running mate. While third party candidates have occasionally joined the fray there is as yet no sign of a serious third party candidacy this year.

The parties officially nominate their candidates at their national conventions in the summer of election year. The Republicans this year plan to nominate the incumbent President Ronald Reagan, who faces no serious challenge for his party's candidacy, for a second and final four-year term.

When the candidacy is contested, as it is among the Democrats this year, a Presidential hopeful must secure a simple majority of delegate votes at the convention to win the nomination. If a candidate has amassed a winning majority before the convention during the delegate selection process, the convention becomes a rubber stamp.

If not, votes are held at the convention until a winner emerges—and a compromise candidate can be nominated in the

event of deadlock. In recent years with the impact of television and increasingly comprehensive delegate selection procedures, the winner has usually been known in advance.

No convention, whether Democrat or Republican has gone to a second ballot since 1952. The candidates compete for delegates in the months before the convention as each of the 50 states selects its allotted number of representatives, allocated either in proportion to population. On the Democratic side, for example, a state may have as few as 14 delegates (Alaska) or as many as 345 (California).

The states choose their delegates either in primary elections or through the party apparatus—caucuses, conventions and committees at local, district and state levels.

Both parties are holding primaries on the same day in 23 states this year. The Republicans will hold a further seven on their own (for a total of 30) the Democrats three (total 26). The primary season traditionally opens in New Hampshire, which this year voted on February 28, and continues until early June.

Generally speaking, members of one party may not vote in the other party's primary, although

in a number of southern and a few northern states you may vote in whichever primary you choose.

In Florida, which polls today, a primary voter must show proof of registration as a Democrat, a Republican or an Independent. In the case of a registered Republican, the polling officer blocks off the list of Democratic choices on the voting machine, and vice versa. Registered Independents will find that the voting levers for both Republican and Democratic lists are inoperative—the only vote an Independent can make is on the various local issues up for referendum.

Florida Democrats, for example, will be asked to pull levers representing both their choice for president and separately, their choice of delegates to the convention, whose names are listed along with the presidential candidate to whom they are committed.

But the complex rules for primaries vary widely from state to state and party to party. In general, voters either elect delegates directly, or show a preference for a presidential candidate which is then translated into delegate selection.

Some state laws require delegates to continue to back the candidate to whom they are pledged for a specific period at the convention. But delegates are generally expected to keep their commitments unless they are "released" by their candidate, by a simple sense of fair play and the desire not to be seen as double-crossing the electorate.

Delegates are sometimes selected by proportional representation, subject to various qualifications—such as in Florida, by the lists or "slates" of delegates that are put directly in the voter. Only California Republicans still have a binding, non-transferable primary on a state-wide basis.

In caucus or convention states, such as Iowa, the selection process starts at the grass roots; voting is at precinct level. The locally-elected delegates are finally gathered down to a single statewide convention, which makes the final choice of national convention delegates.

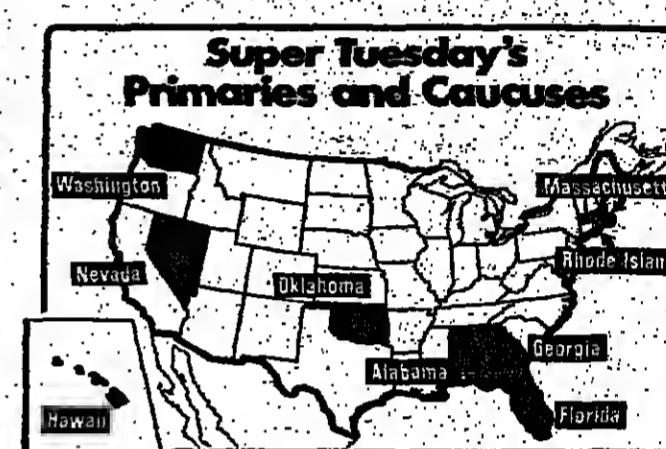
The main difference is that in caucus states the process is public and can take several days, while in primary states a voter pays one single visit to a voting booth. But the main political impact in caucus states comes with the results of the first expression of grass roots preferences, rather than when delegates are finally appointed.

The party that does not hold the White House traditionally goes first, giving it a little more time to organise its challenge with the party in the White House following about a month later. This year accordingly, the Democrats hold their convention in San Francisco from July 16 to 19, the Republicans meet in Dallas from August 20 to 23.

There will be 3,933 delegates at the Democratic convention, meaning that a candidate needs 1,967 votes to win the nomination. Mr Reagan technically needs 1,116 of the 2,235 Republican delegates in Dallas to qualify if the winner is known in advance, the chief business of the convention is agreeing on the party platform, by which today's candidates feel only very loosely bound, endorsing the candidate's choice of vice-president, which is expected to be Mr George Bush (again for the Republicans) and generating publicity and political momentum.

Since the 1970s the law has sought to limit private financing of campaigns and provide public funds to offset the traditional disadvantages of less well-heeled contenders. Spending limits apply at both state and national level and a candidate qualifies for more federal campaign funds, complemented by privately-raised funds, if he has received a number of small private contributions as opposed to large lump sums.

But the limits are astronomical by European standards. Before the convention, each candidate can spend over \$20m, including "matching funds," which can run to as much as half the total. The convention itself and the subsequent presidential campaign is, theoretically at least, entirely financed by public funds, with a limit of \$6m for the convention and



about \$40m for the campaign, plus additional personal allowances.

But the law is unclear about how far private groups of supporters can raise money and campaign for the candidate of their choice independently.

Technically, the November 5 vote is for an electoral college, the substance of which is elected by the president in December. Each state gets a number of electors equal to its full delegation in Congress—the total of its House of Representatives, its members plus its two Senators. California, the most populous state, has 47 electoral votes. Six states, each with a single House member, have only three electors. In general, a state's electors vote for the winning candidate in that state.

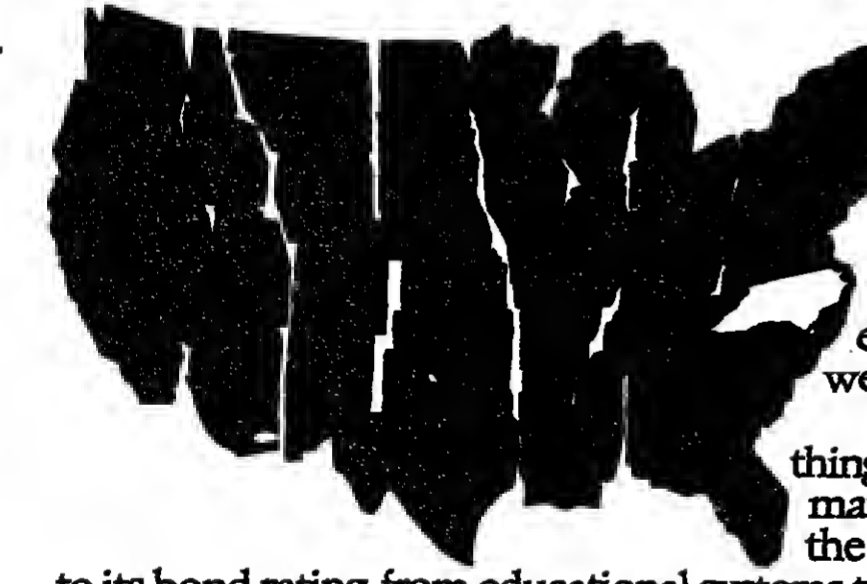
It is theoretically possible for a candidate to win a majority of the popular vote but not a majority in the electoral college, and thus lose the White House. But this has not happened since the 19th century. If it were to happen again, there would doubtless be pressure for the rules to be changed.

A number of recent presidents, however, have been elected with less than 50 per cent of the popular vote, and narrow popular wins can be magnified into sweeping electoral college victories.

In 1968, for instance, President Richard Nixon won 43.4 per cent of the total popular vote, against 42.7 per cent for Mr Hubert Humphrey and 13.5 per cent for Mr George Wallace. Yet Mr Nixon won 301 electoral college votes, against 151 and 46 respectively for the other two candidates.

The need to hold a meeting of the electoral college, together with the Christmas holidays and long-standing tradition (it took a long time for a horse or ship to reach Washington from the outbreak in the early 1900s) means that the outgoing president holds office until January 20, when his successor is officially inaugurated. By that time, next year, a number of ambitious contenders will already have started planning their campaigns for the 1988 poll.

ALMOST 25% OF ALL THE FOREIGN COMPANIES WHO CAME TO THE U.S. LAST YEAR CAME TO THE SAME CONCLUSION.



When a company considers an overseas operation, it takes the United States apart. State by state. According to the most recent 12-month figures, eighty-one companies went through the process. They examined everything from proximity to markets to labor force, from the state's business climate

to its bond rating, from educational systems to livability. And when they were through, with 50 states to choose from, 18 of the companies chose North Carolina. That's 22% of the U.S. total. What's more, of those who chose from the nine South Atlantic states, almost 50% came here. And these figures are no recent development. Over the past five years, we've been far and away the most popular choice for foreign companies—almost doubling our closest competitor. But you don't have to take our word for all this. We've put together an Official Directory of 320 overseas-based companies who operate in North Carolina. They're in all kinds of businesses, come from all over the world. So, you may find some friends already here. So call or write us for your free copy. Then contact some of the companies. And draw your own conclusions.

NORTH CAROLINA, USA

European Office: State of North Carolina, Wasserstraße 2, 4000 Düsseldorf, West Germany. Phone (0211) 320533; Telex: 8581846 NCARD. U.S. Office: N.C. Dept. of Commerce, International Division, 430 N. Salisbury St., Raleigh, NC 27611. Phone (919) 733-7193; Telex: 579480.

UK embassies for Salvador and Nicaragua

By Robert Graham

BRITAIN is to establish permanent diplomatic representation in El Salvador and Nicaragua, the British Foreign Office announced yesterday.

The move was recommended by Foreign Office inspectors last year, but budgetary considerations delayed the decision until now.

The Foreign Office has been aware for some time that the growing conflict in Central America required greater representation. With increasing attention on war-torn El Salvador and the Sandinista Government in Nicaragua, the lack of direct representation had become a serious lacuna.

British interests in El Salvador have been looked after by the embassy in the Honduran capital, Tegucigalpa, while those in Nicaragua have been handled from Costa Rica.

Initially, the Foreign Office wanted to set up an embassy in the Nicaraguan capital, Managua. This move was apparently ruled out by Mrs Margaret Thatcher, the Prime Minister, who felt such action could be exploited by the left-wing Sandinista regime as a sign of British endorsement.

It was then decided to balance the opening of an embassy in Managua with a simultaneous move in the Salvadoran capital, San Salvador.

Dominican Republic's IMF battle intensifies

BY CANUTE JAMES

THE DOMINICAN Republic's prolonged battle with the International Monetary Fund (IMF) has intensified, leaving the Administration of President Salvador Jorge Blanco with more than a few uncomfortable decisions.

The Government's hopes of persuading the IMF to grant credits of \$480m have evaporated with the collapse of negotiations in Santo Domingo.

The Blanco Administration is reluctant to accept conditions for the credits, which include the transfer of just under \$1bn of imports from the official exchange rate to the parallel market rate.

Jockeying for the presidential election of 1988 is already underway and the President is apparently concerned at the effect the IMF conditions could have on the popularity of his Partido Revolucionario Dominicano (PRD), and its likely candidate, Sr Hathey Decamps, now a minister in the Presidency.

The collapse of the talks with the IMF, after a year of continuous disagreements on the conditions which will come with the credits, have left President Blanco with few options in dealing with a mounting crisis in the economy.

One immediate problem is an agreement by several international banks to an outstanding request for \$800m in loans to help the country meet its debt commitments.

Faced with servicing a foreign debt of \$2.6bn, the Dominican Republic is carrying arrears of over \$450m.

The bankers, however, are unlikely to give the green light until the impasse with the IMF is settled. This threatens to undo the benefits which the economy is receiving from last September's agreement by creditor banks to reschedule \$568m of the country's short term debts.

The Government last year shifted \$65m worth of imports from the official to the parallel market, but there appears to be good reason for President Blanco's reluctance to make another change on the scale the fund is suggesting.

While the official rate for the peso is one to the dollar, the current parallel market rate is 2.85 pesos to the dollar.

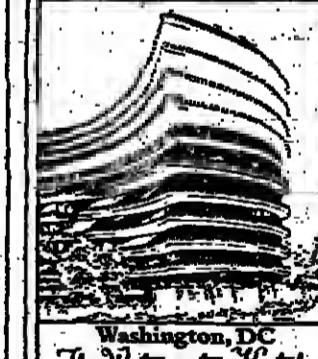
Among the imports which would be shifted to the higher rate under the IMF programme would be oil, which costs about \$400m per year. The inflationary effects of such a move would reach all sectors of the economy.

President Blanco is bound by a public commitment not to devalue the peso but a major shift of imports could have the same effect. This explains the reluctance also to unify the two rates, making the parallel rate the new official rate as was done in Jamaica last November to clear the way for IMF credits.

Besides the arguments about the change to the parallel rate, this month's talks with the IMF in Santo Domingo focussed on the extent to which the Government was willing to reduce public sector expenditure.

John, in Lito

Elegance is never achieved in the same way twice.



Washington, DC The Watergate Hotel (202) 765-2300

Preferred Hotels Worldwide. Each elegant. Each unique.

PREFERRED HOTELS Worldwide

A worldwide association of privately owned luxury hotels with these telephone numbers in common:

London 01 409 0814 Frankfurt 0611 287 524 Amsterdam 47 31 73

Beverly Hills/Los Angeles Beverly Wilshire Hotel (213) 275-4282

Boston The Colonnade (617) 424-7000



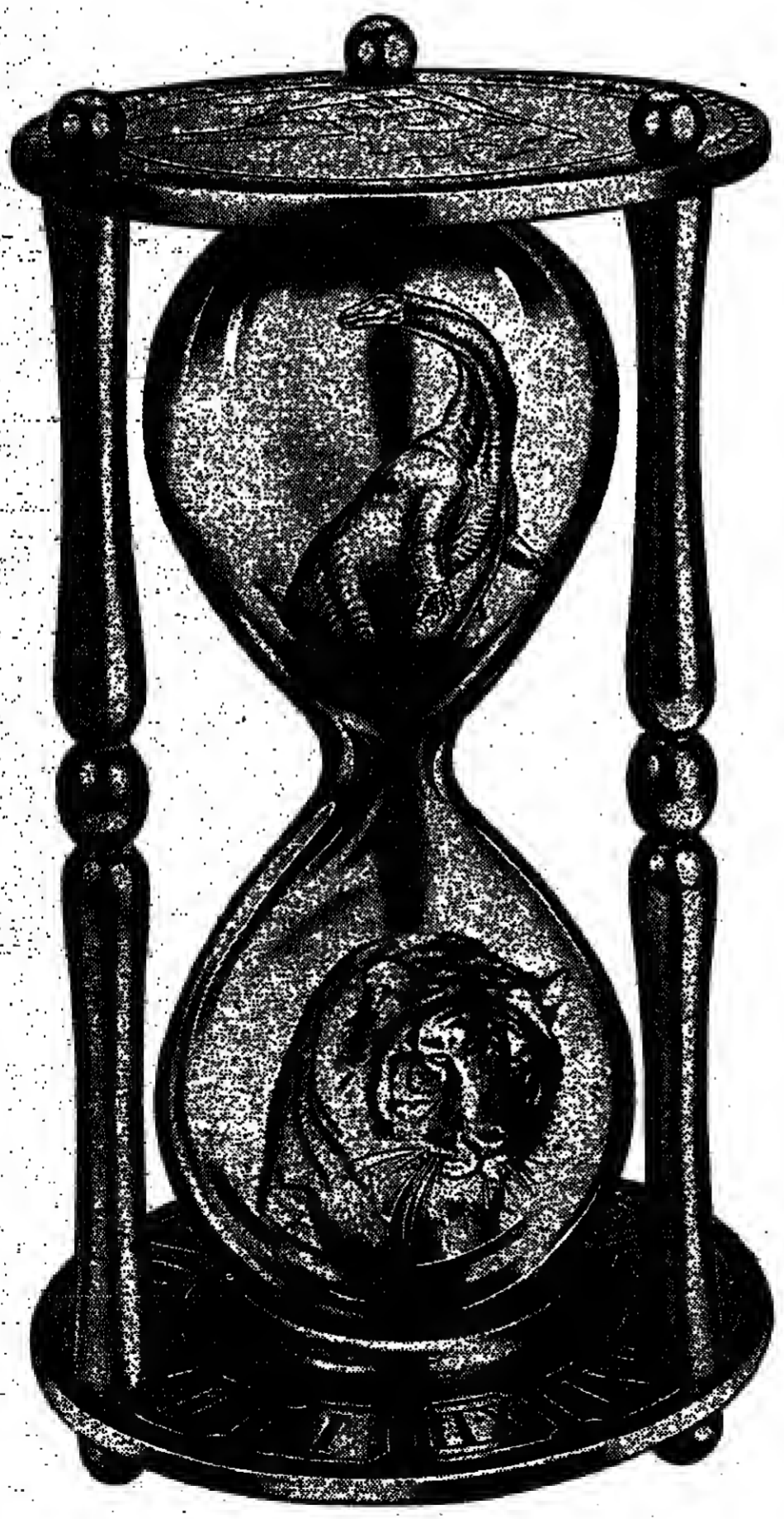
John F. Kennedy... done him nothing but... If the polls are to be... about 60m people... nation have swung to... in the last few days... the media, and... television, it could... happened. By... Mr Hart... Mr Hart... onto the front page... network TV screens... of free publicity... the fact... organisation that... he... over almost four... Mondale... Hart's advisers... cannot line. But... is to stand a real... beating Reagan... he still has to... cross-section of the... he has some real... bun.

t man
uesday's
nd Caucuses
A number of... dents, however, he... elected with less... cent of the popul... narrow popular... organised into... tional college victo... In 1984, for... dent Richard N... per cent of the... 100, against 37... Mr. Huker, H... seat for Mr. G... Yet Mr. Nixon... college votes, sp... of respect for... two candidates. The need to hold... the electoral coll... with the Ch... on... a... to... in the... don't... 20... when his... time, next year... should have... their comp... in a... poll.

Elegance is never... in the same way... Washington... The White... (202) 605-1000... Preferred Hotel... Each... Preferred... London... Frankfurt... Amsterdam... Beverly Hills... Boston...



A CAT'S EYE VIEW OF EVOLUTION



140 million years ago oil began to form in the rock beneath the North Sea.

Nothing much happened for a while. Then 19 years ago we and our partners drilled our first well, and a year and several wells later discovered natural gas.

Discovery of natural gas was followed by discovery of oil.

And suddenly there we were on the threshold of a store of high quality energy that had been locked away for 140 million years.

But as one exploration success led to another, development and production has meant more and more investment.

So far Esso have made a massive North Sea investment commitment of £4,500 million.

We are spending at the rate of £500 million a year with British companies, thereby helping them prosper and grow through new technologies which have worldwide export potential.

We are investing £410 million as Esso's share in a dual site petrochemical complex in Scotland, currently one of the biggest construction projects in Europe, to produce the more valuable up-graded oil and gas related products industry needs.

We provide 20% of all the petroleum products Britain uses to keep the economy moving.

And what may have started in the age of the slow lumbering dinosaur all those millions of years ago has been turned into a mammoth boost for Britain by a lively, dynamic, forward-looking tiger.



TECHNOLOGY

EDITED BY ALAN CANE

SOLVING ENVIRONMENTAL PROBLEMS BIOLOGICALLY

Microbes pressed into service

BY CARLA RAPOPORT

GROWTH stimulants, cold and cancer treatments, human insulins — these have been the areas of excitement prompted by the biotechnology business. Now, however, a young British company is aiming to spread that excitement into a new arena: environmental microbiology.

The new company, Biotechnica Limited, will be raising about £1.8m from City institutions this week through the private placement of 48 per cent of its shares. The new funds, it hopes, will allow the group to boost sales of both its ideas and its microbes to companies and local governments both in the UK and abroad.

Significantly the new group will not be basing its pitch to the City on the current biotechnology buzz-word, genetic engineering. "Our skills are in microbiological sciences, in dealing with groups of microbes. We're interested in the use of these skills to resolve environmental problems," says Dr Stirling Hogarth-Scott, managing director.

The group's activities fall into three areas. The first is aimed at providing safe, cost-effective methods of treating hazardous waste through the use of microorganisms. It is studying ways of degrading waste from chemical companies, brewers, and pulp and paper mills, as well as investigating organisms which it hopes will degrade pesticide residues.

Microbes act as biological catalysts when applied to garbage and will operate happily at normal temperatures, breaking down the waste. Traditional methods of waste disposal, like incinerators, involve energy-intensive processes to do their work. Applying a package of bugs to a pile of waste costs between £7 and £14 per tonne, while traditional measures generally cost a great deal more.

The second division is involved in landfill treatment, essentially the management of putting waste products into holes left by mineral excavation. Biotechnica's work in this area is aimed at both filling these sites with the minimum of environmental effect on surrounding areas and on enhancing the recovery of methane from these dumps. Methane, once dismissed as a



Speeding-up the generation of methane from landfill sites will be one of Biotechnica's main businesses.

waste-product itself, is now recognised by industry as a useful energy source.

"At the moment, landfill sites are biological black-boxes, built by engineers, not by microbiologists' interest in improving the rate of decomposition," says Dr Hogarth-Scott. The activities of this division are being directed by Dr John Rees, a former senior officer with the environmental and medical sciences group of Harwell Atomic Energy Research. He is an expert in both gas recovery and the mechanics of microbial activity in landfill sites.

There are about 30 landfill sites in Britain, but the U.S. market also interests Biotechnica. The size of the American hazardous waste disposal market in 1982 was estimated at \$1bn, and projected to grow rapidly thanks to the new Resource Conservation and Recovery Act of 1983.

The group's third area of activity is the enhancement of plant growth. This research is based on the study of mycorrhizas, microbes which enhance the take-up of phosphate by plants. This particular bug is believed to encourage the establishment of young plants in new soils, thus aiding the

transplantation of young seedlings. The microbes should also help to reduce the amount of fertilisers farmers would need to use on their crops.

Biotechnica Ltd is named for its largest single shareholder, Biotechnica International (BTI) a Boston-based genetic engineering company which has raised more than \$11m from U.S. investors since it was launched in 1981. The U.S. company will own 32 per cent of the UK group. Its chairman, Mr John Hunt, will also serve as the British company's chairman.

The idea for setting up a British sister company grew out of a meeting between Mr Hunt and two UK scientists, Prof Howard Slater of the University of Wales Institute of Science and Technology and Dr Richard Le Page, a lecturer in microbiology at Cambridge University. Hunt was looking for a company which would provide access to European markets while Slater's work in waste treatment appeared to be ready for commercial application.

The association has already brought some North American business to the young British company. Biotechnica has received a \$10,000 contract from

Canadian Hunter Exploration to carry out a feasibility study for cleaning up waste from a heavy oil extraction project. If successful, the study could lead to a much larger contract to carry out the clean-up programme.

Also its landfill/methane gas division has landed a £7,000 contract with Brooklyn Union Gas of New York. This company operates the world's largest landfill gas recovery project, located on Staten Island.

"We've got \$15,000 in the bank ready," said Dr Hogarth-Scott, projects that it will be exploiting by competitors. The company's headquarters are in Cardiff, enabling it to take advantage of generous Welsh Development Office grants.

The group's prospectus, issued by the English Association of Venture Capitalists, moved into the black with pre-tax profits of nearly £400,000 on sales of £1.5m in its third year of operation.

But the company admits that these figures are only estimates and that their ideas could well be exploited by competitors. It also has expertise in the microbiology field.

The group has not attempted to file for any patents on either its processes or microbes. "In the chemical industry, yes, patent protection is a good idea. But in the biological sciences, filing for a patent can give away the cooking process to competitors. I think we are better off keeping our ideas to ourselves for the time being," says Dr Hogarth-Scott.

The managing director is Australian and holds degrees in veterinary science, immunology, and advanced management from Queensland and Melbourne Universities and Cambridge.

Before he joined Biotechnica, he was working as a marketing manager in the Biologicals Division of ICI Australia. Aged 44, Dr Hogarth-Scott admits that his new job is a gamble. "I reckon I've got about 20 working years left. I could have gone on doing the same thing for those 20 years, or I could take out a few years to do this," he says.

"Biotechnology has drained off a lot of middle-ranking people in industry, people who just want to give something different a try. It seems like a reasonable risk to take."

Why Psion has hopes for QL

FEW PEOPLE can be waiting for Sinclair Research to start delivering its much heralded QL computer with as much interest as the folk at Psion, a three-year-old, high flying software company.

If the delayed QL turns out to be anything like as successful as Sinclair hopes, then Psion will be set to sustain its already impressive growth rate. Founded just over three years ago, it made a profit of £1.94m last year on a turnover of £10m and its expansion has been self-financed. By comparison, Logica, one of Britain's most successful software and computer services companies, founded in 1968, which went public last October made a pre-tax profit of £3.85m on sales of £42.1m last year.

Psion's interest in the success of the QL is that it developed the four business oriented programs which are included in the computer's £399 price tag. The programs — word processing, a spreadsheet for financial planning, database management for filing and business graphics — took 18 months to develop. Psion will get a royalty for them on every QL sold.

Mr Nigel Searle, managing director of Sinclair Research said: "We've built up an excellent relationship with Psion over three years. We have a great deal of confidence in their ability and as proof we have sold over 1m of their programs for the Spectrum computer."

For Psion, the crucial question is whether its programs will become a major force in the software market for the

new generation of low cost professional micros using 16-bit processors. It hopes that products like the word processing program—Quill—will become the market leader for 16-bit microprocessors as Wordstar

with the new computers in the same way as Sinclair is doing with the QL.

"The bundled approach gives us both volume and penetration," says Dr David Potter, founder of Psion who used to be an academic specialising in computational physics at Imperial College.

Psion also plans to spend £1m on marketing in the U.S. in its first year of operation. The U.S. will be exceptionally difficult ground for a company like Psion but crucial if it is to achieve its objectives. No decision has been taken on whether to raise money in the City to finance the U.S. expansion.

But a world presence is a prerequisite for survival in this uncertain new industry, Dr Potter believes.

To achieve this Psion is now concentrating on marketing and reaching supply agreements with the hardware manufacturers. Up to now the emphasis has been on technical development of products. The company claims to have some of the most advanced development tools of any micro software company in the world. Only Microsoft in the U.S. could compare says Dr Potter.

The company produces its programs on two powerful microcomputers: the PC which simulate the micros for which they are being written. Psion says it is faster than writing on the micro and easy to transfer to other machines.

Psion is installing a third microcomputer to handle technical queries for the software on the QL.

Professional Personal Computing



"Ear rings! I thought it was the latest mini-dosy disc"

dominates personal computers with 8-bit processors.

To achieve this, Psion claims it has reached—or soon will—agreements with several computer suppliers who will launch low-cost 16-bit micros this year. The manufacturers will offer the Psion programs "bundled"

IBM upsets the European apple cart

IBM's decision to cut the price of its range of personal computers in Europe at the beginning of this month caught a number of people by surprise. The price cuts varied from market to market and ranged from 20 per cent to just 7 per cent on the top-priced model the PC/XT.

IBM's range of PCs have been selling very well in Europe although they have not dominated the markets in the way they have in the U.S. Miles Thistlewhite of Inteco, the consultants specialising in small business computer systems comments: "At the moment there is not very strong pressure on IBM to cut the price—it was more of a pre-emptive action. They must avoid being seen as a high-priced supplier... a reputation

which is hard to undo." For the first time the price of IBM PCs in the UK — on several configurations — are actually below those in the U.S. The move more or less coincided with the launch of ACT's new version of the Apricot, its transportable 16-bit micro.

The new Apricot xl has a Winchester disc drive — made by Rodime in Scotland — and storage of five or ten megabytes. These cost £2,685 and £2,995 plus VAT respectively. (The IBM PC/XT costs a little less than £4,200 with a ten megabyte disc drive.)

ACT is finalising negotiations to take over the manufacturing and marketing rights of the Sirius computer from the bankrupt Victor Technologies. It sees itself as one of the top three European competitors in

this sector of the professional computer market.

The European market is being fiercely fought out between IBM, Apple and Commodore from the U.S. with Olivetti from Italy, Triumph Adler from West Germany and now ACT from Britain. That battle is likely to get much hotter as DEC steps up its efforts with the Rainbow, as Apple introduces the Macintosh, and ACT begins to sell significant numbers of the Apricot.

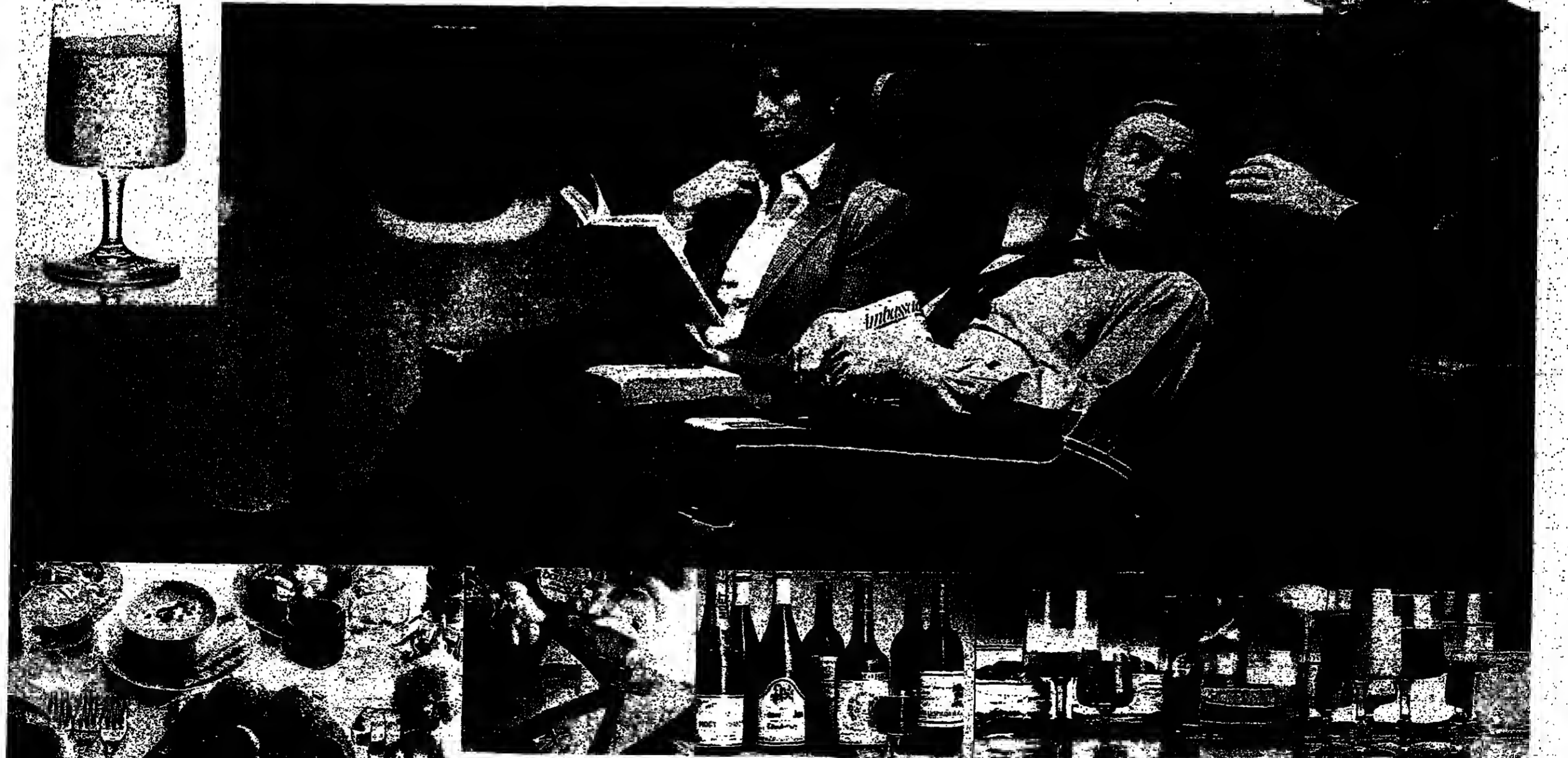
The European market still looks much different to that in the U.S. which, in part, accounts for IBM's less dominant position. Inteco's Mr Thistlewhite comments: "In business, the middle managers who buy computers, like the PC in the U.S., don't have their

Data storage Magnetic cartridges

THERE ARE several cheap tape alternatives to disc for small computers owners with a limited budget such as Sinclair's Microdrive and the Floppy. All these systems are aimed mainly at the hobby market. However, PFI Mag systems, based in Falmouth, has produced a magnetic cartridge system, called the phloppy, with speed and storage capacity comparable with the lower end of the disc drive market but half the cost. This could find a home in a variety of personal computers in small businesses, which use machines designed primarily for home education, such as the BBC microcomputer. In fact this is the first machine to which the phloppy can be attached for a cost of about £125 including the interface. The phloppy contains a 12 inch loop of standard professional 1 inch audio tape which can store 100,000 bits of information and is able to transfer data at 10 kilobytes a second which is about 200 times faster than an ordinary cassette.

JASON CRISP

TWA Royal Ambassador Service is more than first class



TWA has brought a new dimension to first class. The comfort and luxury of its Sleeper-seats. The excellence of its food and wines. The warmth and attentiveness of its service. Quite simply TWA Royal Ambassador Service is a class apart. Isn't that what first class should be?

TWA See your TWA Main Agent for full details.

You're going to like us



طيران تويلا

WORLD TRADE NEWS

Credit for Turkish dam contract secured

By David Barchard in Ankara
TURKEY has secured export credits worth a total of SwFr 968m (£310m) to finance the electro-mechanical contract for the Ataturk High Dam on the Euphrates River, the Swiss Embassy in Ankara said yesterday.

U.S. attacks Japan's software plan

THE U.S. has warned the Japanese Government it can expect political backlash and a legal morass if it goes ahead with proposals, strongly opposed by Washington, to legislate new regulations for computer software and telecommunications services.

Tokyo 'interested' in space station deal

BY JUREK MARTIN IN TOKYO
MR YASUHIRO NAKASONE, the Japanese Prime Minister, yesterday expressed interest in principle in Japan taking part in the planned multi-billion dollar U.S. manned space station.

UK to seek larger share of Airbus work

By James Buchan in Bonn
THE UK Government will push hard to increase its share of British equipment manufacturers in the outfitting of the 150-seat A-320 airliner to be built by the European Airbus consortium.

China passes first patent law

Peking — China's first patent law was approved yesterday and will take effect on April 1, 1985. The aim of the law is to ease foreign business fears that technology sold to the Chinese will be copied.

Lisbon drops import tax

THE PORTUGUESE Government has cut its import surcharge imposed in 1983 to a rate of 10 per cent from the previous level of 20 per cent.

Mr Nakasone would need to be convinced.

Mr Nakasone, however, told Mr James Beggs, chief of the National Aeronautics and Space Administration (Nasa), that Japan would need to be convinced that the station would be devoted to peaceful purposes before a formal commitment could be made.

Japanese lease deal finances Spanish order

By Yoko Shibata in Tokyo
UNION Electrica-Fenerosa (UEF), a major Spanish electric generating company, has placed a Y104.6bn (£31bn) order for power plant equipment through a consortium of 19 Japanese companies led by Orient Leasing.

Jamaica barter with Yugoslavia

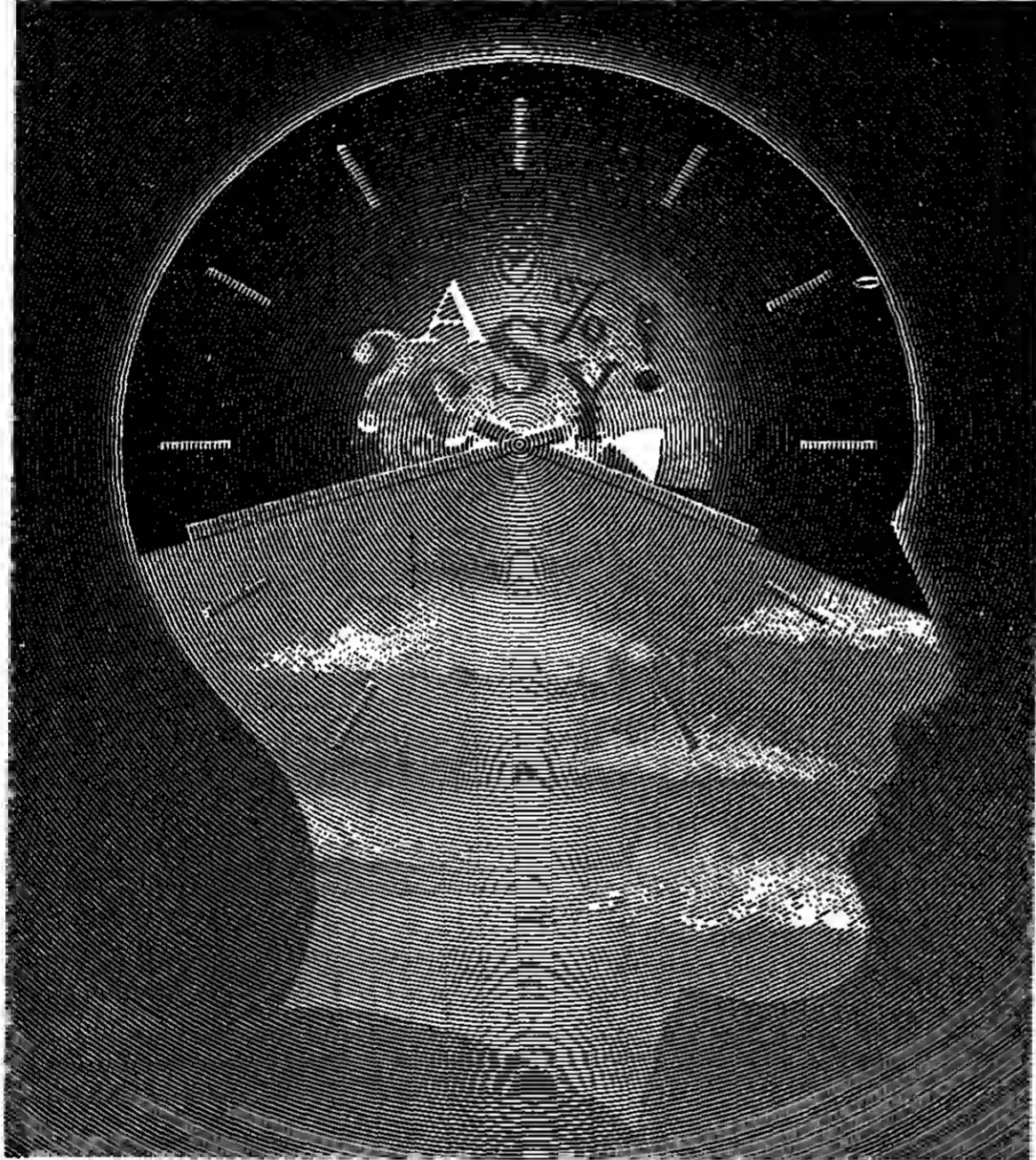
By Conute James in Kingston
THE Jamaican Government and a Yugoslav trading company have agreed to countertrade 450,000 tonnes of alumina produced in the island for housing units and construction material.

Anglo-Swedish trade up 15%

By Kevin Dons, Nordic Correspondent, in Stockholm
ANGLO-SWEDISH trade jumped by nearly 25 per cent last year as the UK moved forward to become Sweden's second most important market after West Germany.

Tebbit calls off next month's visit to Tokyo

BY JUREK MARTIN IN TOKYO
THE PLANNED visit to Japan next month by Mr Norman Tebbit, the Trade and Industry Minister, has been called off the British Embassy confirmed in Tokyo yesterday.



You're missing the thinking time you really need. We can help.

We can't expand time, but we can help you make optimum use of it. Your Royal Banker can quickly marshal the best thinking of an expert team, tailored to your special needs.

INTERNATIONAL MONEY MARKETS
Our specialists are located in major markets around the world. They're competitive and responsive.

WORLD TRADE
We can give you access to trade finance specialists located in strategic trading centres around the world. They can provide you with trade contacts and market intelligence as well as state-of-the-art financial services, to help make both ends of your import and export deals go smoothly.

MERCHANT BANKING
As one of the world's leading merchant banks, Orion Royal can offer you proven innovative thinking in corporate finance and substantial placing power in international capital markets.



THE ROYAL BANK OF CANADA

Assets: U.S. \$72.0 billion. Network, more than 1500 branches worldwide; 210 operating units in 46 countries; 44 subsidiaries and affiliates; over 3000 correspondent relationships in Europe and the Middle East: London, Paris, Brussels, Geneva, Frankfurt, Hamburg, Düsseldorf, Dortmund, Madrid, Beirut, Cairo, Bahrain, Dubai.

Handwritten signature or mark at the bottom of the page.

UK to seek larger share of Airbus work

By James Buxton in Bonn

THE UK Government has asked for an increase in the share of British equipment in the 150-seat A-320 aircraft to be built by the European consortium.

Mr Norman Lamont, the Minister, said after a meeting in Bonn yesterday that he was "proud" to be involved in the four countries "full and fair" sharing work in building the aircraft.

The French, West German, Spanish and UK aircraft manufacturers met in Bonn yesterday to discuss the equipment question.

A memorandum of understanding (MoU) launching the aircraft, for which the options have already been booked, is expected to be signed in June.

This MoU will formalise the intentions of the four participating governments in a formal agreement.

This will detail the commitments of each government and outline the specific shares in the venture, so that there are no uncertainties as to much cash each government is committing to the project.

Such an agreement will be vital for Airbus Industries, convincing the world that the A-320 is a viable proposition, a major European venture giving firm support.

Mr Lamont's remarks reflect the German position, which predominates in the existing aircraft, the A310.

Mr Lamont said that he was not necessarily a share of equipment to British design work for the programme. However, equipment share of 10 per cent in the A-320 would not be a "factory".

Largely because of central manufacturing, French manufacturers have been producing half the outfitting of the existing aircraft.

As for Government plans for Rolls-Royce development on A-320, Mr Lamont said he was confident the engine would be developed in the UK.

The present financial package for Airbus Industries is divided 50 per cent between France and Germany, 25 per cent between Spain and the UK, and 20 per cent between the UK and Germany.

It is hoped that the agreement will be signed in Bonn in the next few days.

Mr Lamont also wanted to see the A-320 programme in the UK.

The work shares in the A-320 programme are 27 per cent for France, 25 per cent for Germany, 20 per cent for the UK and 28 per cent for Spain.

The A-320 programme is a joint venture between Airbus Industries, a consortium of French, German, Spanish and British aircraft manufacturers, and the British Aerospace Group.

The A-320 programme is a joint venture between Airbus Industries, a consortium of French, German, Spanish and British aircraft manufacturers, and the British Aerospace Group.

off next to Tokyo

... in the Diet...

... Mr Tsuburaya...

... that rearrangement...

... later in the year...

... Thus the burden...

... stand...

... with Japan will...

... Geoffrey Howe, who...

... but in the last week...

... month as part of a...

... Eastern tour.

... As it stands now...

... no outstanding...

... puts before the...

... that have not...

... deal with in the...

... work of Japan...

... so far as the...

... The Commission...

... sent to April...

... made of...

... Paris and Brussels...

... of May for talks...

We've abolished rates and taxes.

No, sadly we're not talking about the rates on your house. Or the sizeable chunk the Chancellor takes out of your salary every month. Those you'll just have to endure.

We're referring to the muddle of car rental rates that are likely to confront you whenever you organise a business trip.

And the various VAT rates and local taxes you have to reckon with abroad.

At Hertz, we realise that on a business trip you have more important things to think about than daily car rental rates, weekly rates, week-end rates, unlimited mileage rates and VAT rates throughout Europe.

In our opinion, sorting that lot out is our business. And we've lost no time attending to it.

The result is our European Business Class Tariff. If you tell us what type of car you want (we have a large selection of executive cars to choose from) and which country you're travelling to, we'll quote you just one uncomplicated rate.

Everything is included.

Unlimited mileage. Collision Damage Waiver. Personal Accident Insurance. And all local taxes whether they're Germany's 14% VAT or Finland's 19.05% local tax. It's all part of the service.

The only extra you need worry about is your petrol en route.

Much simpler, isn't it? It's available in 16 countries throughout Europe, on trips where you return the car to the office you collected it from.

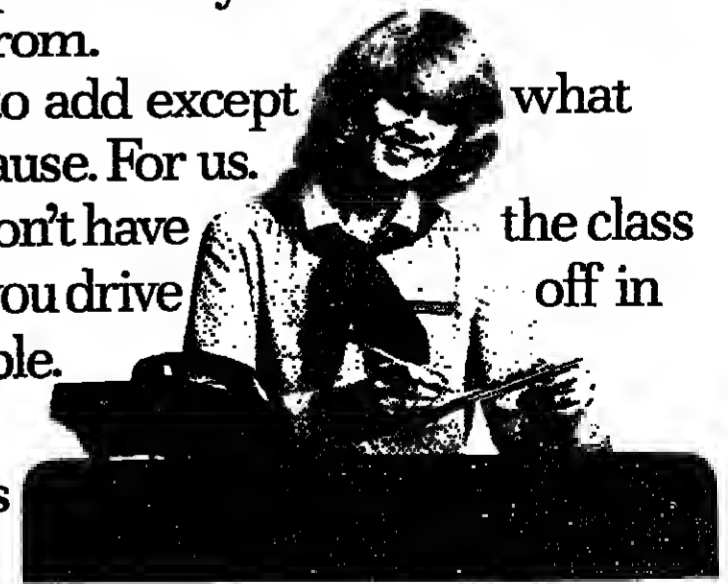
There's nothing else to add except what you might call a penalty clause. For us.

If for any reason we don't have the class of car you booked, we'll let you drive off in the best car we have available.

At no extra cost.

Even if it's a Mercedes and you've booked something rather less grand.

For more information, call our Reservation Centre on 01-679 1799.



Hertz
Business Class.

It's all part of the service.
HERTZ RENTS AND LEASES FORDS AND OTHER FINE CARS.

UK NEWS

Hitachi linked with Daewoo's bid withdrawal

BY LYNTON MCLAIN

DAEWOO, one of South Korea's largest industrial groups, appears to have been influenced by Hitachi, the Japanese industrial conglomerate, to pull out last Friday from its proposed acquisition of the assets and business of the Hymac hydraulic excavator company in South Wales.

Hitachi normally specifies that its licensees operate within specified territories. It is unlikely that Daewoo's licence to manufacture Hitachi excavators permits the South Korean group to manufacture or sell them in the UK.

Retailers' trade up by 1% in month

By Max Wilkinson Economics Correspondent

RETAILERS' trade recovered in February after a sharp fall in January, according to official estimates published yesterday.

Defence chiefs will lose powers in Whitehall reshuffle

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

RADICAL CHANGES in the organisation of defence in Britain were announced yesterday. They involve substantial loss of power for the chiefs of the three armed services.

of the MoD, by far the biggest ministry in Whitehall, through his special 'Minis' (ministerial information system) but there was little expectation within the MoD of early or radical change.

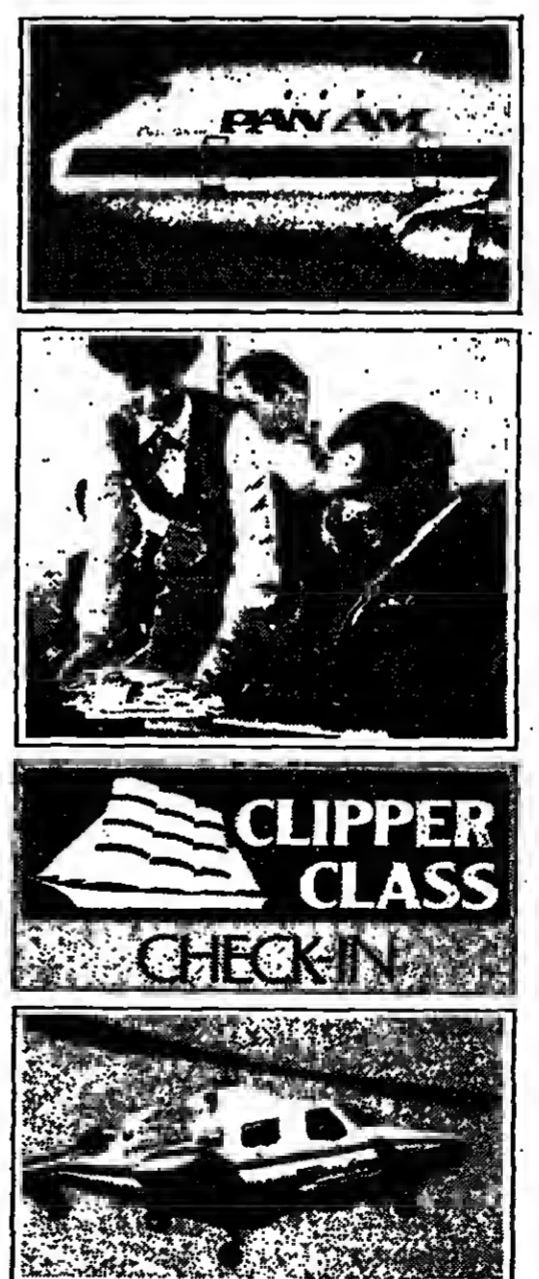
Jason Crisp examines a VCR project for Wales Sharp sets up in Europe

SHARP, one of Japan's leading consumer electronics groups, will become the tenth Japanese company to set up production of video cassette recorders (VCR) within the European Community.

in the UK is likely to fall slightly in the current year. The level of demand for VCRs of just over 2m a year in the UK is comparable with demand for colour TVs in the 1970s.

Most Japanese companies - including Sharp yesterday - deny that they are making VCRs in Europe as a result of the EEC/MTI import restrictions.

Ten Reasons Why Pan Am Clipper Class Is In A Class By Itself.



YOUR OWN SPECIAL CHECK-IN. ACROSS THE ATLANTIC YOU ALWAYS TRAVEL IN BIG ROOMY 747's. HERE YOU FEEL PAMPERED AND TOTALLY AT EASE. SEPARATE CABIN THAT GIVES YOU PEACE AND PRIVACY. SPACE TO SPREAD OUT AND WORK, OR RELAX. FINEST INTERNATIONALLY ACCLAIMED WINES AND CUISINE FOR YOU TO ENJOY. THE DRINKS. THE MOVIES. THE MUSIC. ALL ARE COMPLIMENTARY, OF COURSE. SPECIAL BAGGAGE HANDLING - SAME ALLOWANCE AS FIRST CLASS. YOU CAN FLY PAN AM CLIPPER® CLASS TO NEW YORK, WASHINGTON DC, MIAMI, LOS ANGELES, SAN FRANCISCO, SEATTLE, TAMPA, HOUSTON AND HONOLULU. FREE HELICOPTER SERVICE FROM THE WORLDPORT JFK, TO MANHATTAN AND NEWARK.

Call your Travel Agent or Pan Am for details on: London 01-409 0688; Birmingham 021-236 9561; Manchester 061-832 7626; Glasgow 041-248 5744; Prestel 215747

Pan Am. You Can't Beat The Experience. Helicopter service is operated for Pan Am by Oneflight Helicopter Services Inc.

Communist factions set to part company

BY JOHN LLOYD, INDUSTRIAL EDITOR

AN INCREASINGLY divided Communist Party of Great Britain (CPGB) now looks set to splinter later this year into a Eurocommunist group led by the present party executive and a hardline, pro-Soviet faction, organised around the Morning Star, the party's daily newspaper.

is an important political issue. He says that an ideal party paper 'not only explains and publicises the positive achievements of the socialist countries, but does not hesitate to criticise when criticism is justified' and which 'attempts to analyse the causes of the problems faced in building socialism'.

His statement makes clear that the Morning Star's increasingly un-critical support for the Soviet Union is an important political issue.

Both sides are proposing to pack with their supporters the June annual meeting of the People's Press Printing Society (PPPS).

Government property chief steps down

By Andrew Taylor

MR MONTAGUE ALFRED yesterday left his job as chief executive of the Government's Property Service Agency (PSA) with nine months of a three-year contract to run.

DIAMOND CAPITAL LIMITED. Registered Office: 20, Broad Street, Monrovia (LIBERIA). At the request of Mr Yves Dupont, Director General of the Ministry of the President of the Commercial Court of Paris, the order is given that the proceedings in the case of DIAMOND CAPITAL LTD which will be held in the court of the Commercial Court of Paris, on Friday, 30th March 1984, at 11 a.m., with the following agenda:

Forward Trust Deposit Rates

Depositors are advised that with effect from March 13th 1984 the following rates will apply to deposit accounts with Forward Trust Limited.

Notice of withdrawal: 7 days 1 month 3 months 6 months 12 months. Deposits of £1-£50,000: 8.25% 8.50% 8.75% 9.00% 9.25%

*Applies to existing deposits only. New deposits at 7 day notice are not accepted.

FORWARD TRUST GROUP A member of Midland Bank Group

For further information apply to: Forward Trust Limited, Deposit Department, 12 Colthorpe Road, Birmingham B15 1QZ. Telephone: 021-454 6141.

Handwritten signature or mark in a box at the bottom center of the page.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

PACKAGING frozen beef appears to be a good deal easier than "packaging" a management buy-out. That, at any rate, has been the experience of 41-year-old managing director Peter Howard-Jones who, together with four of the company's other senior executives, has just become a proud owner of the £30m a year Meatpak Hampshire Group.

Management buy-outs: by Tim Dickson

A growing force, but the price is getting steeper

Yesterday's announcement that the management team and its backers are buying out the business marks the successful outcome of what has been a long and at times frustrating search for financial support. Meatpak's co-founders—the Bejam Freezers and frozen foods group and Swift and Co, the UK subsidiary of the American-owned Esmark group—will receive a total of £2.67m.

BET, BIOC and United Biscuits did it last year. Tesco, B&I and John Laing have already done it this year. And judging by current trends plenty of other well known UK companies will do it in 1984.

In spite of suggestions that management buy-outs were just a temporary response to the harsh economic environment of the last three years, they continue to play an important role in the restructuring of British industry. An increasing number of financial institutions is now

putting together buy-out deals and while no reliable figures are available it appears that at least as many management buy-outs were completed last year, as in 1982.

Significantly, however, the market is changing. Two to three years ago many profitable subsidiaries of big companies were sold at what in retrospect seem "knock down" prices just to keep the parent alive. At a time when economic activity was depressed management teams were often the only parties



Peter Howard-Jones: "Believe in yourself and your ideas"

were convinced had a bright future but which was inherently unappealing to the City.

Institutions which promote and finance buy-outs like a purchase price which reflects a healthy discount to net assets. They perk up if they see a sound track record and they become highly enthusiastic if they spot an experienced management team. Meatpak's owners, by contrast, insisted throughout on a price tag close to book value, the company's trading history was patchy and its performance depended almost entirely on one customer, while most of its key managers had been hired following Howard-Jones'

appointment in 1982 and thus had little chance to show their paces. Support for an independent Meatpak required an act of faith in the new management's ambition to build on its strong technical base, to attract new customers and to tackle new areas of the expanding frozen meat products market.

The company, which has a beef and lamb plant at Chandler's Ford, Hampshire, and a pork plant at Beccles, in Suffolk, was set up in 1972 at a time when retailers throughout the UK were floundering with vertical integration through the acquisition of manufacturing units and meat businesses like Swift were

looking at ways to exploit the growing market in home freezers. Throughout the 1970s the joint venture worked well growing on the back of Bejam's rapid expansion but in the process became dangerously dependent on the frozen food retailer as an outlet for its products (roughly 80 per cent of Meatpak's sales sell to Bejam).

This was fine long as Bejam remained unchallenged but by the late 1970s and early 1980s other retailers such as Iceland, Frozen Foods, Cordon Bleu, and the big supermarket chains inevitably came to market, competitive prices. The impact on Meatpak—as Bejam de-

manded better product specification and increasingly keen pricing—was lower growth and squeezed margins.

Against this background—profit before interest fell from £547,000 in 1979 to £400,000 in 1981 on almost doubled turnover—Howard-Jones was recruited to turn things round. But it was not long before he decided that a management buy-out offered the best way to resolve the founding shareholders' divergent aims.

Broader speaking Swift had liked his plan to maximise profits, develop new products to complement the traditional meat cuts, sausages and sausages, and enter new markets (such as exporting and catering). Bejam, however, remained more interested in competitively-priced supplies, was reluctant to commit itself to a major capital spending programme and would have faced a conflict with Swift over the use of Meatpak's development time.

"Most people we approached in the City took one look at the proposition and told us to go back to Bejam and Swift and to demand a discount," recalls Howard-Jones. "I found that most of the financial institutions I met were not interested in future projections. Like many businessmen, I didn't really realise that their job is simply to make as much money as possible in the most efficient way they can."

Having been turned away by some of the best known names in the City, many people would have given up. However, Howard-Jones persevered. "If you believe in yourself and your ideas you should go on. You shouldn't believe that any financial institution is the final arbiter."

Howard-Jones is also a great believer in "going direct" to those who control the "purses strings." "Many of the buy-out specialists are agents who are selling your story to others. By last September we just seemed to be running into a brick wall so I decided then and there that I would only deal with the in-

dividuals who could say yes or no."

Apply the policy paid off quickly and a month later SUMIT and Office Pension Fund had agreed in principle to supply the funds. But even then he was far from home and dry. "In our case," explains Howard-Jones, "we still had to raise a further £1m of loan facilities and an overdraft which involved further presentations and a great deal of extra effort."

With enough money finally lined up the last stage could best be described as "negotiating over terms." "Ideally you should play one lot of institutions off against another and compare what they offer and you should be prepared to walk out of the door to show you mean business. It's a bit like a cross between walking the Niagara Falls on a high tightrope and playing poker for high stakes."

Howard-Jones and his colleagues won two important "victories" as a result of this approach—the original structure of the deal was revised so that the cash option was reduced by £1m over the first five years.

High level of union co-operation

BY JOHN COYNE AND MIKE WRIGHT

A union was formally recognised for negotiating purposes in 66 per cent of the companies and in 55 per cent of these there was more than one union.

Indeed the degree of union involvement can be more fully appreciated if the existence of a closed shop in 40 per cent of the companies.

After a buy-out, it is control of cash flow and the need to meet the high interest payments which the financial package inevitably requires that causes management its major difficulties. In some cases, however, freedom from parental control, and removal of central company banking procedures has been very positively beneficial to cash flow control.

Before the buy-out 22 per cent of companies had experi-

enced cash flow difficulties, whereas only 13 per cent were experiencing them afterwards.

Of these post-buy-out cash flow difficulties, the problems in meeting interest payments on long-term loans was evident in 25 per cent of cases. In two of these the company management negotiated a refinancing package within two years of the date of buy-out.

The BES route: a contentious issue

BY JOHN COYNE AND MIKE WRIGHT

IN MOST ways BOC's decision last week to sell its Magenta Division to a consortium of management and a handful of financial institutions was just another buy-out deal. But in one important respect the proposed transaction—it hinges on a decision to purchase the target company and subsequently applied BES proceeds to pay off the borrowings.

As Graham Butler of Charterhouse points out, such loopholes are not being exploited in the BOC case because the consortium is buying a division and therefore assets, not shares.

Butler readily admits, however, that the tax relief has enabled Charterhouse and its fellow institutions to pay a higher price than they otherwise would have done.

Which is not using the BES and which is not being released by the company. This other bidder points out that since BES money consists wholly of equity, the stake available to the people actually running the business is likely to be relatively small.

The managers of BOC Magenta, which is likely to be given a price tag close to its net asset value of £2.5m, will end up with 25 per cent of the outside investors with 62.5 per cent and the fund managers with 12.5 per cent. If all options are exercised, Butler, meanwhile, says his consortium's higher offer is justified because the costs of servicing the equity "will be about £200,000 less than servicing the equivalent amount of loan."

Business Services

IMPROVE YOUR CASH FLOW WITHOUT BORROWING, MORTGAGING ASSETS, FACTORING OR DISCOUNTING BOOK DEBTS

Details from: **MANAGEMENT PLANNING LIMITED**
Rofel House, 1D Colet Gardens, Hammersmith, London W14 9DH

YOUR NEW BRISTOL OFFICE is now ready!

Short or long term lets, fully furnished, fully serviced, expertly staffed. The highest standard full service accommodation in Bristol at extremely good value. It's all here, ready for you to start work immediately.

Phone Brenda Pearce on 0273 27041 (office hours)
Cheswick House
9 Small Street, The Centre
Bristol BS1 1DB

PensGiftsPens

Advertising Pens & Gifts
Promotional Pens & Gifts
Souvenir Pens & Gifts
Novelty Pens & Gifts
Luxury Pens & Gifts

Ask for colour catalogue
01-246 9823 in London 0254
Tel: 28732 EMCPEN G

42 Hendon Lane, Finchley N3 1TT

A MAJOR NEW GUIDE TO SOURCES OF FINANCE FOR YOUR BUSINESS

SUNDAY TELEGRAPH UK FINANCE DIRECTORY 1984

Full details of services available for business from Banks, Venture Capital Companies, Finance Houses and other major lending institutions.

ENQUIRY COUPON SEND FOR DETAILS NOW

Please send me full details of the new SUNDAY TELEGRAPH UK FINANCE DIRECTORY 1984 (Please use block capitals)

NAME _____
POSITION/DEPARTMENT _____
ORGANISATION _____
ADDRESS _____

To: Graham & Trotman Ltd
Starling House
88 Wilton Road
London SW1V 1DE

JUST PUBLISHED SEND FOR DETAILS

ITALIAN FURNITURE GROUP

Group of highly reputable furniture manufacturers from Italy wish to appoint suitable person to represent them in London with British contractors operating overseas. Suit retired or semi-retired senior executive with appropriate current contacts. International remuneration by negotiation.

Write Box F4447, Financial Times
10 Cannon Street, London EC4A 3DY

YOUR OFFICE IN LONDON MAYFAIR LOCATION

From £69.50 per month. New business or growing part-time use of offices. Full secretarial/secretary support, telephone answering, fax, mail, word processing etc. Companies formed if required.

For brochure telephone:
Lloyd Adams 01-479 8321
or Write Box F2590, Financial Times
10 Cannon Street, EC4A 3DY

48-HOUR OFFSHORE COMPANY FORMATIONS

PARANSA - ISLE OF MAN - USA
Also Ready-Made Companies
With optional nominee directors and confidential Swiss, USA, or offshore bank accounts.

For information or London office contact:
01-479 4562

OFFSHORE & UK COMPANIES

IMMEDIATELY AVAILABLE
Isle of Man, Jersey, etc
Full, domiciled & nominee services
Bank accounts opened
SELECT OFFSHORE FORMATIONS
Mr. Raymond, Douglas, Isle of Man
Tel: Douglas (0624) 2278
Tel: 0264 5654 SELECT G

MORTGAGES

on Commercial, Industrial, Residential Properties
at competitive rates

Write or telephone:
BRISCH MORTGAGE (INT'L) LTD
Specialising in lending Mortgage Sectors
18 Berkeley Street, W1
Tel: 01-485 5551 - Telex: 28374

LIMITED COMPANIES FORMED BY EXPERTS FOR £77 INCLUSIVE

READY MADE C10S COMPANY SERVICES
EXPRESS CO. REGISTRATIONS LTD.
25-26 City Road, London, EC1
01-424 9424/5, 7831, 2838

INSTANT OFFICE

Fully Furnished and Serviced. Long/short term. Regent Street.
Tel: Margaret Poliak
01-486 1411

BUSINESS MAILING LIST—Members of leading UK industry associations available for sale. Includes: Manufacturers, Wholesalers, Exporters, Importers, etc.

Write to: **MARKETING SERVICES LTD.**
18, Cannon Street, London EC4A 3DY.

FOR PEOPLE WITH DRIVE CARPHONE

More than 1000 mobile car telephones available in both quantities. Particular attention to those who are better placed to show you how your business could benefit from them. We will sell or lease as you wish, the right mobile to suit your needs. Delivery from your own car can cost as little as £2.00 per week. For full details, more choice please, not to mention the highest quality installation work.

All mobile services, car, home, office, etc.
• 24hr. installation with car collection and delivery.
• Customised installations on speciality & full after-sales service.
• Lowest rental charges.
• PART EXCHANGE—Yes! We'll accept your old equipment in part payment for full details from the people who know, ring: 0923 40347

CARPHONE CONSULTANTS
18 Upton Road, Waltham,
Tel: 2555997
WIMBORNE
*Call based on 01-2555997

A COMPLETE FINANCING SERVICE

available for business restructure expansion development acquisition from:
Capital Investment Agency,
Europa House Ltd
World Trade Centre, 81 BAA
Avenue, London EC4A 3DF
(24 hrs) Telex: 2552150

OFFSHORE TAX SHELTER

Non-Resident Limited Companies £112 CONFIDENTIAL QUALIFIED ADVICE
EUROPE TRUST LTD
Bank Account, Investor, Attorney, Director/Secretary, Registered Office, ISLAND RESOURCES LTD, Bermuda, London.
Sumner Hill, Isle of Man
Tel: (0624) 29830/29833/29240

COMPANIES AND TRUSTS IN THE TURKS & CAICOS ISLANDS

To discover the numerous advantages write for information to:
STANLEY TRUST LTD
14 Warwick Street, Curzon CRT 7FW or P.O. Box 1 Grand Turk, WI or Telex Turka Is, TQ 824

NOT TO BE REPEATED OF LATEST FULLY FEATURED ELECTRONIC TYPEWRITERS

* PAPER TRAYS
* 3 PAGE MEMORY
* 10 PAGE MEMORY
* 10 PAGE MEMORY MACHINES
* 10 PAGE MEMORY MACHINES
* 10 PAGE MEMORY MACHINES
* 10 PAGE MEMORY MACHINES
* 10 PAGE MEMORY MACHINES

NO DEALERS - LIMITED STOCKS
Delivery anywhere UK
BUSINESS EQUIPMENT DIVISION
FINANCE LTD
Tel: 01-467 2268

MACHINERY PLANT AND

1980 TVAL 11 KV Padmas Moggi
Sawyer Corporation, America
1500 15th St, New York, NY
Tel: 212 633 1234

FORK LIFT TRUCKS—Clearance of 70 cm. 1.5 ton capacity. Electric and petrol. All with sound proof and vibration free. 48 Hrs. Road. Tel: 011-278 5544

ELECTRO-PLATING

Expanding Midlands company requires equity or loan capital injection to realise full potential. Write move to larger premises with additional capacity.

Write Box F4472, Financial Times
10 Cannon Street, London EC4A 3DY.

A management buy-out?

Seeking long-term capital for expansion?

If yours is a profitable operation and you need long-term capital to fund a buy-out from your parent company—or for any other reason—Gresham Trust could provide the necessary finance.

Naturally you'll want the finance packaged in the way that best suits your needs. But how can you be sure you've got it if you haven't found out what Gresham can offer?

Gresham Trust p.l.c., Boxington House, Gresham Street, London EC2V 7BE. Tel: 01-606 6474.

Gresham Trust

The competitive alternative for long-term capital

Equity Funding

Investment VCR details c.100
Newman Abbott
Entrepreneurs: VCR helps raise finance on good terms from a compatible partner.
*Particularly Invaluable Supplement available separately.
* Venture Capital Report is represented throughout the UK.
VCR, 2 The Mall Bristol, Tel: 0272 707222

NEW LICENSING OPPORTUNITIES

Multiple income reports on new product licensing opportunities (new product ventures) from all over the world. For details of FREE TRIAL OFFER, write today:
TECHNOLOGY TRANSFER INTERNATIONAL, Dept FTA
15 Salvage Lane, London NW7 3SS

I.R.A. INVESTMENTS

Newman Abbott
£24,500 to £738,000
Some private or public company limited guarantees
Available through Hodgson
A. C. FROST & CO
3 High Street, Windsor
Tel: 07535 34555

Saudi Arabia

We are seeking new business relationships for the supply of electrical equipment/materials (cables, switches, etc.)
Please apply to:
Abdoul Karim Al-Hamad Trading
Box 220000, P.O. Box 46
Medina, Saudi Arabia
Tel: 01-467 2268

SOUTH AFRICA

Wanted an established business in South Africa for investment.
Any situation considered has must have good track record, require cash flow and strong asset base. Preference given to well-established companies in profitable, secure situation. All selling deals with a strict confidentiality.
Write Box F4458, Financial Times
10 Cannon Street, EC4A 3DY.

VENTURE CAPITAL SWFT 1.5 & 5 M10

require for the project in Switzerland with planned expansion into mature Germanic market. Guarantee repayment within 10 years via credit notes. Applications received within 10 days. backing are invited to write to: **CHRYSLER INVESTMENTS**
4010 Basel, Switzerland

TAX SHELTER

For corporate and private investors: 100% IBAs now available in prime southern locations with rental guarantees and several leasebacks to Local Authorities
TAYLOR CRISPIN & CO LTD
75 South Molton Street,
London W1K 1DE
Tel: 01-488 9522 - Telex: 36887

ARE YOU INTERESTED IN INVESTING IN TOP CLASS HOLSTEIN CATTLE?

Minimum 3-Year Period
Possible returns: 10-15%
60-100% of cost
Possible tax relief on profit sharing return.
For further information: telephone 095 283397

Japanese Trading Company

With direct selling organisation throughout Japan invites response from British manufacturers of Consumer or Light Industrial products
Write Box F4458, Financial Times
10 Cannon Street, EC4A 3DY

TRADE PUBLISHER

A trade publisher with highly profitable prospect is seeking equity capital to finance and to project growth. £20,000. BES qualified. Possible tax relief on profit sharing return.
Write Box F4458, Financial Times
10 Cannon Street, EC4A 3DY.

U.S.A.

Private businessman, MBA marketing, visiting most parts of the USA regularly. Want for his Market. Willing to undertake short or long term assignments home or overseas.
W.R.P. Ltd, Norman House
12 New Bridge Street,
Newcastle-upon-Tyne NE1 5AS

BUSINESS EXPANSION SCHEME

Expanding Computer Company trading in Europe and USA. Full time staffed. £2m and growing rapidly. Has established track record. Requires £100,000. Write for details to: **Computer Associates**
270, Deodar Road, Croydon, Surrey, Middlesex, HA8 9AX.

Private businessman, MBA marketing, visiting most parts of the USA regularly. Want for his Market. Willing to undertake short or long term assignments home or overseas.

W.R.P. Ltd, Norman House
12 New Bridge Street,
Newcastle-upon-Tyne NE1 5AS

BUSINESS EXPANSION SCHEME

Expanding Computer Company trading in Europe and USA. Full time staffed. £2m and growing rapidly. Has established track record. Requires £100,000. Write for details to: **Computer Associates**
270, Deodar Road, Croydon, Surrey, Middlesex, HA8 9AX.

VENTURE CAPITAL SWFT 1.5 & 5 M10

require for the project in Switzerland with planned expansion into mature Germanic market. Guarantee repayment within 10 years via credit notes. Applications received within 10 days. backing are invited to write to: **CHRYSLER INVESTMENTS**
4010 Basel, Switzerland

Private businessman, MBA marketing, visiting most parts of the USA regularly. Want for his Market. Willing to undertake short or long term assignments home or overseas.

W.R.P. Ltd, Norman House
12 New Bridge Street,
Newcastle-upon-Tyne NE1 5AS

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telegrams: Finantimo, London FSA, Telex: 8954871
Telephone: 01-248 8000

Tuesday March 13 1984

Argentina's debt crisis

ARGENTINA'S REFUSAL

to use its growing pile of foreign exchange reserves to reduce interest arrears on its foreign debt has disturbed the calm of a developing country debt crisis that until recently seemed well under control.

For the first time since the crisis broke, U.S. banks which are collectively owed about \$9bn (\$8.3bn) by Argentine borrowers now face the prospect of having to classify loans to major Latin American public sector borrowers as "non-performing" in their balance sheets.

This will hurt their first quarter profits by how much will vary markedly from bank to bank—as they cannot count interest due on the affected loans as part of their gross earnings for the quarter.

U.S. banks have always struggled hard to avoid such a development, fearing loss of confidence among both shareholders and depositors if their commitments to Latin America ever forced them to declare lower profits. Even now there might be a temptation for them to arrange some last-minute credit lines to Argentina that would allow the arrears to be reduced before March 31.

Without any agreement between Argentina and the International Monetary Fund such an approach would be a serious mistake.

Precedent

Throughout the debt crisis the IMF has provided just about the only effective way for creditors to ensure good behaviour by their borrowers.

Argentina recently cancelled its previous agreement with the fund and the new government of President Raul Alfonsín has not so far established a replacement programme.

At new talks today in New York leading creditor banks are expected to reaffirm the principle of no fresh credit without a signal from the fund. To do otherwise would create a dangerous precedent that other debtors would quickly seek to follow.

The price of missing the March 31 deadline is one which the U.S. banks can reasonably afford. Canadian banks whose fiscal year ends on January 31 have already put Argentine loans on a non-performing basis without any noticeable loss of confidence.

The financial system, as a whole, which was prone to

general panic when Mexico first stopped servicing its debt, is now better placed to cope with setbacks. And if uncertainty does increase as a result of U.S. banks reporting lower first quarter profits, that might have the beneficial effect (for the debtors at least) of mitigating a current upward trend of interest rates.

The mere fact that Argentina has refused to help U.S. banks eliminate a difficult accounting problem does not of itself imply any change for better or worse in its policy towards its \$43.6bn foreign debt. Talks with the IMF are continuing and a fund mission is due in Buenos Aires early next week.

These talks have, however, always been difficult. It would be hard for any government—especially one that is committed to real wage increases—to accept the degree of domestic restraint needed to curb inflation of over 400 per cent. The new government in Buenos Aires must first strike a bargain over wage restraint with trade unions whose support is far from certain. This has left its bank creditors fumbling in the dark about its actual intentions.

The consequence is a sense of impotence among creditors that has been greatly increased by the arrears problem.

This is hardly a climate in which Argentina could expect to win major concessions from commercial bankers when it does sit down for serious talks on rescheduling. Many U.S. banks are bound to be resentful against a country that has forced them to declare lower profits, and few will readily swallow demands for longer maturities and lower interest margins on rescheduled debt.

In the past we have argued that Argentina does deserve some concessions because its fledgling democracy is a vulnerable one that needs to be nurtured by the West. That argument still holds true today. It would serve no purpose for the IMF to demand a draconian austerity that would undermine support for the Radical government and create a power vacuum in Buenos Aires.

Argentina has shown its muscle in dealing with its debt. It must also now realise that its power to respond is limited. Intransigence by a borrower that demands credit and offers no security in return will hurt its long-term prospects as much as it hurts the banks.

The art of the impossible

EVEN on the rumours of his tax-reforming proposals, the Chancellor is under back-bench and City pressure to trim or withdraw. It was left to the Opposition to try to exploit the tax on the dealing profits of the building societies; this was not an invasion of the Tory heartland. However, reports that the Chancellor might lay his hands on tax allowances for contractual saving seem to have aroused greater alarm. This is already being portrayed as an attack on savings, a harsh measure which voters will not understand; the insurance companies themselves are reported to be muttering threats about future revaluation issues. As for the more distant rumours of a watering-down of mortgage tax relief—words almost fail. This is the politically impossible.

In other words, Mr Lawson faces the same starchy coalition of fear and scepticism which faces every Chancellor who dares even think about tax reform. There is nothing at all surprising about this; this is the permanent coalition which has reduced the British tax system—and that of most other democratic countries—to an illogical, distorting mess. In the cause of the politically possible, for example, Schedule A, the original tax against which mortgage interest was originally (and rightly) allowed, was left to wither away.

Anomalies tackled

It was to keep voters sweet that some past Labour chancellors introduced apparently punitive taxation with quite deliberate loopholes to protect the wealth creators. In this way the national system of high tax rates and high allowances has been built up, until cynics can argue that since almost every identifiable group is protected—the children, the old, the house owners, the industrialists, the farmers, the financial intermediaries—the result is some kind of rough justice.

Yet from time to time anomalies are tackled and the political cost has invariably been far less than those who have argued.

For nearly usually in the cause of wage restraint—specific duties were allowed to fall behind inflation, so that in real terms we were paying more income tax to make harmful indulgences cheaper. Duties were lowered, again at little political cost. Even the more controversial shift from direct to indirect taxation, which actually was regressive, proved something of a political nine-days wonder. A Tory chancellor reintroduced the disallowance of consumer interest payments, widely denounced when Mr Roy Jenkins first took the same step, and the subject has never been raised again.

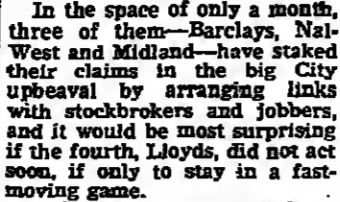
Faced with determination and political courage, the defenders of the status quo fall back on another argument: existing arrangements are reflected in existing asset prices, so somebody will suffer an " unjust" loss if they are changed. This underestimates the resilience of markets, just as the political arguments underestimate the intelligence of voters.

Another reforming chancellor, Mr Selwyn Lloyd, was told that his tax on short-term market gains would immobilise the markets. A realistic reader of this newspaper answered these arguments in one sentence: "Re speculative gains tax: how do I qualify?"

Radical

We hope then, that we will discover tomorrow that the leaks are well founded, and that we have a reforming Chancellor, backed by a Prime Minister who holds to the basic Conservative faith in fiscal neutrality, low taxes with low allowances (did Surrey relief when company cars were realistically taxed?) and the understated play of market incentives. Tax should not be seen as political football, but on the contrary as a basic theme for a radical Tory government in its second term—radical enough to tackle what is "politically impossible."

BRITAIN'S FINANCIAL REVOLUTION



Now the big banks steal a march

By David Lascelles, Banking Correspondent

BRITAIN'S big four clearing banks have never had a reputation for being at the sharp end of the finance business. But all that seems to be changing.

In the space of only a month, three of them—Barclays, NatWest and Midland—have staked their claims in the big City upheaval by arranging links with stockbrokers and jobbers, and it would be most surprising if the fourth, Lloyds, did not act soon, if only to stay in a fast-moving game.

In fact, the clearers have been so aggressive that they have taken a clear lead over their traditionally more feet-footed brethren, the merchant banks. If things work out as they hope, the clearers could end up dominating the City, with fingers in all the big financial pies. They can afford to, of course. The £100m-plus that Barclays deal will cost a tidy sum even for an institution with £200m in assets and annual profits of over £500m.

The most a merchant bank has so far splashed out is the £40m that S. G. Warburg paid for its stake in Akroyd and Smeeth, and that was reckoned to be expensive.

But this does all suppose that the clearers know what they are doing. All the deals are designed to get banks deeper into the securities business; buying and selling shares and bonds, making markets in them, bringing new issues to market and finding investors to take them up. But each bank has gone about it differently.

Barclays' deal, unveiled yesterday, is by far the most ambitious since it combines de Zoete and Beves, a stockbroker, and Wedd Durlacher, a jobber, into a three-way partnership intended, in their words, "to form the core and basis for development of a powerful new international securities company."

NatWest is trying up with Biggood Bishop, a market maker, because it believes the important thing, at least to begin with, is to be active at the heart of the market. But in the longer run, NatWest is certain to need a stockbroker as well to build up its investment clientele. Midland Bank, by contrast, is going for a stockbroker, W. Greenwell, to strengthen the distribution capacity of Samuel Montagu, its merchant banking subsidiary, which is already a big dealer in securities like Eurobonds.

Mr Andrew Buxton, general manager and executive director of Barclays (UK), also speculated yesterday that the bank's customers would be able to walk



At a press conference yesterday to announce a new link up: (left to right) Mr James Titcomb, senior partner of de Zoete and Beves; Sir Timothy Bevan, chairman of Barclays; and Mr John Robertson, senior partner of Wedd Durlacher Nordson.

What is revolutionary about this is that banks in the UK at least, have traditionally only brought depositors and borrowers together in lending arrangements intended to be as risk-free as possible. Now, they will concentrate on bringing investors and securities issuers together, too, an altogether different business where risk is all part of the game, and the source of profits.

Mr Andrew Buxton, general manager and executive director of Barclays (UK), also speculated yesterday that the bank's customers would be able to walk

into a branch, get a share price quote on a screen at the touch of a button, and place a buy or sell order. They can already trade securities through their local bank, of course. But it is more of a sideline service, and orders go to an outside stockbroker. Discount broking services may come later.

The notion of a super financial conglomerate able to arrange for its customers everything from the most sophisticated stock exchange deal to a bagful of 10p bits is appealing, of course. But it could also be fraught with complications,

especially if they are based on the possibly illusory idea that simply because particular services bear the label "financial" they belong under the same roof.

Mr Buxton of Barclays said yesterday: "We have put a lot of thought into this and we know where we are going." Even so, the deal was noticeably short on detail.

How, for example, will the new partnership with its entrepreneurs fit in with the some what more esid culture of a clearing bank? Barclays has pledged not to meddle too

closely. "It will become a member of the Barclays group rather than be completely absorbed," said Sir Timothy Bevan, Barclays chairman.

But securities are a high risk business, so how will the losses that are bound to occur from time to time be handled? As investor, broker and market maker, the Barclays group will also be criss-crossed with conflicting interests that will require very solid walls between its various parts.

At NatWest, the tie up with Biggood Bishop will probably be made through County Bank

AMERICA: HOW THE MARKET WALLS CAME TUMBLING DOWN

FIFTY-ONE years ago, amid the financial ruins of the great depression, Congress built what, until recently, appeared to be an almost impenetrable dividing wall between the securities and banking industries. This wall was called the Glass-Steagall Act.

Half a century later a substantial section of the "wall" lies in ruins—assaulted from both sides by the major financial services companies in the competitive rush to broaden the range of products they offer and provide the consumer with the opportunity for "one-stop" financial products "shopping."

The assault has been led by established securities firms like Merrill Lynch, and insurance companies like Prudential Insurance, "non-banks" like Sears Roebuck and by the banks themselves. As a result the distinctions between the U.S. banking and securities

industries have become increasingly blurred.

A major element in this process has been the move by many of the major U.S. money centre banks—and an estimated 1,000 smaller banks—into the discount brokerage business.

Discount brokerage houses buy and sell shares on behalf of clients in the same way as the major Wall Street brokerage firms but provide a "no frills" service.

The touchstone for the current debate on whether brokerage services are a proper business for the banks remains Bankamerica's acquisition last year of Charles Schwab.

That acquisition led to a major—and for the banks favourable—change in interpretation by the Federal Reserve Board of the Glass-Steagall Act—and to a string of law cases brought by the banks' rivals in the securities industry. These are now before the Supreme Court.

The crucial loophole exploited by the banks in their acquisition of discount brokers is the wording of the Glass-Steagall Act which bans banks from underwriting and distributing corporate securities but which, subject to interpretation, allows them to buy and sell securities for their customers. Discount brokers do not underwrite

securities. The Bankamerica acquisition may be the boldest challenge to the act, but a number of other major banks have found other ways to expand their brokerage activities.

Security Pacific Bank, the tenth largest bank in the U.S., first formed an alliance with an existing discount broker, but has subsequently dramatically expanded its brokerage business. Since 1973 the Los Angeles-based bank has opened 16 retail stockbroker offices in 10 states, bought three wholesale bond houses, acquired a 29.9 per cent stake in Hearn Goveett, one of the UK's largest brokers, and formed a wholesale discount brokerage firm of its own, Security Pacific Brokers.

About 10 per cent of Quick and Reilly's business now comes from banks, while Fidelity Brokerage Services, the Boston-based group which has perhaps been the most aggressive marketing its

services to banking groups, has a backlog of more than 500 bank brokerage orders.

Such is the growth of the banks' brokerage business that some market researchers suggest "discount" brokerage operations at banks and credit associations could actually outpace the number of accounts "at full service" brokerage houses by the year-end.

These massive structural changes in the industry do, however, face a serious challenge. Aside from the Supreme Court hearing on the Schwab-acquisition a number of regulators, including the Fed, have raised serious concerns about the rapid pace of overall banking product diversification—and the difficulty of interpreting the Glass-Steagall act.

Paul Taylor in New York

Bevan finds old family ties

Since Silvanus Bevan joined James Barclay's bank in Lombard Street in 1877—later became a partner—various branches of the Bevan family have laboured continuously in the City of London, mostly in banking and stockbroking.

Barclays Bank's intention to take a stake in de Zoete and Bevan, one of the London stockbrokers, means that old Bevan family links will be forged anew.

Sir Timothy Bevan, aged 56, executive chairman of Barclays and a descendant of Silvanus, is also related to the Bevans who joined with the de Zoets in 1970 to form the joint stockbroker.

Sir Timothy was a cousin ("second or third, we can't remember which," says another member of the tribe), of the late Col Johnny Bevan who was senior partner in de Zoete and Bevan until he died in the 1970s.

Johnny Bevan was once head of Churchill's War Room. He is credited with thinking up the deception played on the Germans which resulted in the making of the film "The Man Who Never Was."

Family connections at de Zoete and Bevan run deep. Two of Johnny Bevan's great-nephews now working for the firm as partners are Simon de Zoete, aged 42, and Nicholas de Zoete, aged 37.

Sir Timothy's immediate family has moved between banking and stockbroking with almost predictable regularity. His great-grandfather, Frank Augustus Bevan, became first chairman of what is now Barclays Bank when 30 regional banking families merged to form Barclays in 1896.

Men and Matters

quickly through the ranks. But he has pointed out that the markets side of City life runs strong in his blood. His grandfather, father, brother, and one of his two sons, all chose stockbroking careers.

New Abbey habit

"Marketing money isn't very different from marketing razor blades—you have to be razor sharp," says Peter Birch, aged 46, the surprise choice for chief general manager of the Abbey National Building Society. What makes Birch's statement apt is that he is at present managing director of Gillette UK.

His appointment has surprised the City and has disappointed hopes among more than a few people in the building society world. He was headhunted by Abbey from outside the movement, and eventually he was preferred over nine applicants from within the Abbey.

The planned appointment was discussed over lunch with Sir Campbell Adamson, Abbey's chairman, and after that "All went rather like an express train out of control and I'm joining Abbey after Easter."

He doesn't see his new role as a change of change building societies are extending their role and moving into highly competitive financial services areas, and he knows a lot about competition after selling razor blades, razors, and ballpoint pens.

Birch is a change from the traditional image of a building society chief. He has an international background—after National Service as a second lieutenant he joined Nestlé. And after management training in Switzerland he worked in Singapore and Malaysia. He has worked for Gillette in Australia and the Far East.

He will certainly be the only building society chief, he says,

Flight plan

Angela Ratcliffe, who was on duty at the British Airports Authority information desk at Gatwick, was approached by a worried driver clutching a piece of paper.

Was there a flight from Berlin by Cafe Specific? Tentatively she suggested he meet the flight from Bahrain by Cathay Pacific.

Thought for Budget Day

"... the rapacity and greed of the Government go beyond all limits. It is now actually proposing to place a tax on incomes."

"Those with £100 to £105 a year are to pay a 1/40th part, and above £200, 1/10th."

"This is a vile Jacobin jumped-up jack-in-the-box office impudence. Is a true Briton to have no privacy? Are the fruits of his labour and toil to be picked over, farthing by farthing, by pimply minions of bureaucracy?"

(From the diary of John Kayvetton, a naval surgeon at the time Nelson won the Battle of the Nile. The entry is dated January 12 1798.)

Observer

Hoskyns tipped

Sir John Hoskyns, former head of Mrs Thatcher's No 10 Policy Unit, is now the front runner to take over from Walter Goldsmith as Director General of the Institute of Directors.

A formal decision has yet to be taken by the IOD, but I understand that Sir John, who has made uncompromising attacks on Whitehall and Westminster in the last couple of years, is the only candidate left in the field.

An announcement is expected within the next couple of weeks. Sir John's sharp criticism of Government, and in particular, his calls for more movement

Cutty Sark Scotch Whisky



Quality without compromise.



Quality without compromise.



Quality without compromise.

July 1984

EUROPEAN MONETARY SYSTEM

An unsung story of success

By Anatole Kaletsky

TODAY IS the fifth anniversary of the Community's most notable success story of the past decade — the European Monetary System, founded on March 13 1979.

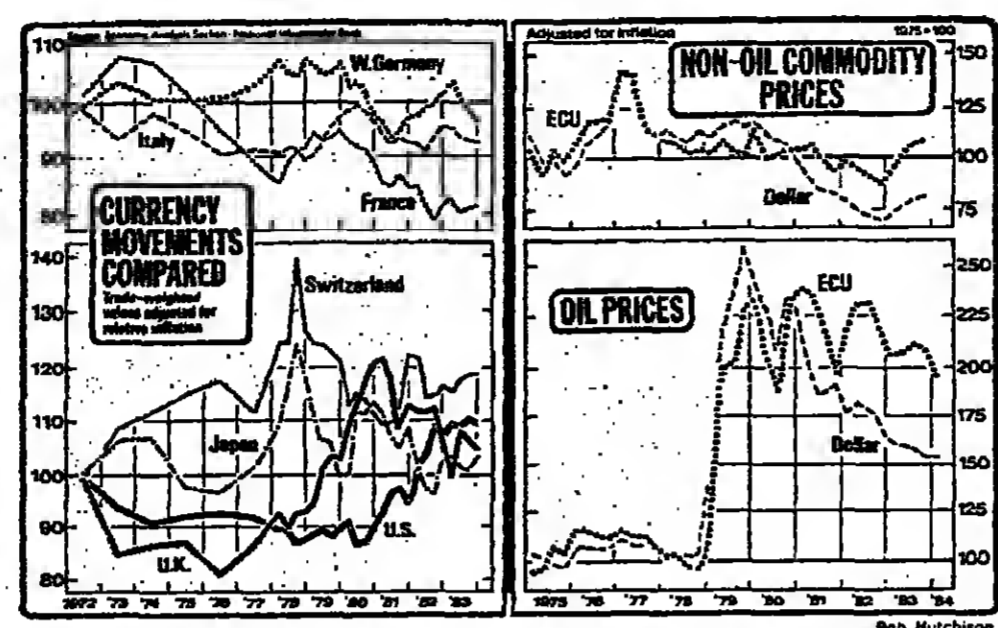
An occasion which might have inspired some serious rethinking about the sort of macro-economic co-operation needed to improve the prospects for stable growth in each of the Community's member nations — and simultaneously to strengthen Europe's position in the world trading system — will in fact pass almost unremarked even in Brussels. There Ministers and Eurocrats are locked in yet another battle over milk prices and budget targets in preparation for the European summit next week.

Superficially, it may be charitably to fault Europe's leaders. What is the point of lofty rhetoric about monetary and macro-economic cooperation while sheep farmers are hijacking foreign meat markets and the Community's budgetary managers do not even know where they can turn for vital extra funds? Yet if Europe's leaders could be jolted out of the rut in which they have been stuck, they might be surprised at the degree to which the macro-economic goals embodied in the EMS are today at least as important, and perhaps increasingly more likely to succeed than attempts at micro-economic handouts.

The first five years of the EMS point to this conclusion. The practical experience of the past few years has now forced all the major European countries into broad agreement on the priorities of macro-economic policy: to combat inflation and then to promote a modest growth of output, at a rate which will not threaten a new upsurge in prices or in external deficits.

This agreement on objectives is now closer than any consensus which Europe is ever likely to reach on firm policy; for the importance attached to preserving "incentive" peasant agriculture, for instance, will always be far greater for France or Italy than for Britain.

Such differences are not only inevitable, but also desirable, since they embody Europe's greatest asset, its historical diversity. This can hardly be said about the differences



between national rates of inflation.

Yet the refusal by governments to recognise that the "loss of sovereignty" involved in co-ordinating macro-economic policies is largely illusory, explains why the EMS is stuck in "a steady state and unlikely to do anything spectacular in the near future," as one official puts it.

The gradual strengthening of the EMS as an institution is reflected in the relative stability which it has brought to Continental European exchange rates (Britain, though formally an EMS member, has refused so far to join the Exchange Rate Mechanism, which is the whole system's raison d'être). After seven currency realignments in the first four years of existence, the system's parties have held steady for nearly a year.

Although most foreign exchange traders still expect another realignment later this year involving a devaluation of the French franc, Belgian franc and the Dutch guilder, the system's stability has made it possible for the system's parties to live up to the excessive hopes of some of its founding fathers: "It's like a marriage—if you've been married for 50 years, what you have done in meantime may be very different from your marriage vows, but by definition you are united."

There are three general criteria against which the EMS's performance so far is being judged:

● First and foremost, there is the system's record in stabilising Europe's exchange rates. There can be no disputing that the continental currencies have, in a sense, represented a "zone of monetary stability" which the founders of the EMS were seeking. Relative fluctuations in the EMS currencies in the past five years have been much smaller than the movements of the dollar, the pound or the yen. This has been particularly true of the real exchange rates, adjusted for differences in inflation.

Critics of the EMS have often objected that the system has failed to bring inflation rates into line, say between Germany and France. But it is certainly

slow, while their trade balances have improved sharply. Albeit in a negative way, this shift was the most notable achievement to date of the EMS framework. Both Italian and French governments stated explicitly that the need to stay within the EMS was a major consideration in their new policies.

On the other hand, the existence of EMS arrangements for mutual currency support was also an important reason why the foreign exchange markets seemed willing to give the new policies the benefit of the doubt. They did not stake out further inflation in the French and Italian economies by continuing to speculate against their currencies after the realignment last March.

The limitations of national sovereignty in macro-economic matters could not have been better illustrated than by President François Mitterrand's untimely dash for growth, which culminated in last year's devaluation and austerity plan. But the growing understanding of this in Europe is accompanied by another phenomenon, which could ultimately give the European nations more influence over their economic policies, provided they can act as a group.

● This phenomenon is the third market indicator that the EMS is here to stay—the use of the European Currency Unit (Ecu) by the private sector. The Ecu is now the third most important currency in the Eurobond market, with total bond issues of around Ecu 525bn (\$4.4bn) held by private investors. Numerous banks, even in Britain, now offer Ecu accounts and the Italian Government, the Ecu's highest official promoter, has relieved several Ecu-denominated investments from exchange controls, making them a sought-after form of savings.

But the greatest potential of the Ecu is still untapped. As the chart shows, the prices of commodities and even oil show more stability when measured in Ecus than in dollars. The dream of pricing world trade in Ecu instead of dollars, and "decontrolling" Europe from the vagaries of U.S. monetary policy may seem far-fetched. But if Europe could gradually move towards even a partial monetary union, the Ecu as a world currency could make sound economic sense.

The Budget and taxation

From Dr A. Berry

Sir,—The Chancellor is widely expected to propose changes which will reduce the tax advantages of investment and increase the tax advantages of employment.

These proposals are made against a background of high and rising unemployment, a decline in the competitiveness of the UK manufacturing sector, especially in low high technology products, and a lack of skilled manpower.

It seems that the proposals to support the employment of labour will "bring into use" the relatively less skilled while inhibiting the technological advances which will keep the skilled in employment. It seems silly to actually inhibit capital investment.

The proposals appear to stem from a "tinkering" mentality, which leads to the choice of more technology and less employment. The UK economy needs both more investment in technology and less unemployment. It does not seem that a "money box" view of the economy is likely to address the needs.

(Dr A. J. Berry, Lecturer in Management Control, Manchester Business School, Booth Street West, Manchester.

Letters to the Editor

sequence of events was begun... normal manner, is to corporatise... savings to be achieved by abolishing... political counties, you join the armchair critics and perfectionist academics who appear to want "the best" (some confused creation of their own minds) to destroy the good.

The good is the Government's determination to remove an unnecessary and expensive layer of government from our cities. Most functions go to boroughs and districts, a few go to joint boards, and in London only one permanent new joint board is created—to run the fire service.

As an example of a "confused creation" I would point to your own suggestion for mergers of inner London boroughs. While the Government proposes to remove the unnecessary and to give to the existing, you propose to give the GLC's functions to bodies not yet formed. A recipe for confusion far worse than what you condemn.

You rightly say that the issues are complex. The vested interests, too, are strong. How wrong you are, then, to say that the Government has plenty of time to spare on this issue before the next General Election! There must be no delay.

T. W. H. Ekersley, Town Hall, Peckham Road, SES.

Abolishing layers of government

From the Chairman, Finance and General Purposes Committee, Greater London Council

Sir,—In your leading article (March 8) on the Government's proposals to abolish Greater London Council and the metropolitan counties, you join the armchair critics and perfectionist academics who appear to want "the best" (some confused creation of their own minds) to destroy the good.

The good is the Government's determination to remove an unnecessary and expensive layer of government from our cities. Most functions go to boroughs and districts, a few go to joint boards, and in London only one permanent new joint board is created—to run the fire service.

As an example of a "confused creation" I would point to your own suggestion for mergers of inner London boroughs. While the Government proposes to remove the unnecessary and to give to the existing, you propose to give the GLC's functions to bodies not yet formed. A recipe for confusion far worse than what you condemn.

You rightly say that the issues are complex. The vested interests, too, are strong. How wrong you are, then, to say that the Government has plenty of time to spare on this issue before the next General Election! There must be no delay.

T. W. H. Ekersley, Town Hall, Peckham Road, SES.

Guaranteed prices for agriculture

From Mr P. Oppenheim, MP

Sir,—Mr J. P. W. Hall, March 3, accuses me of muddled thinking for supporting a system of guaranteed prices for agriculture. In support of a system of world prices, he says that self-sufficiency is unnecessary in an era of efficient transport and that it would benefit developing countries to be able to supply Europe with food.

It might have escaped Mr Hall's notice, but most developing countries are not even able to feed themselves satisfactorily. Ironically, one reason for this is the lack of systems of guaranteed prices in these countries. This causes uncertainty and under-investment, leading to subsistence farming rather than productive agriculture. It would seem, therefore, that the main beneficiaries of any marked drop in European agricultural production would be the poor of the Third World, but the U.S. which itself operates a far more costly guaranteed price structure than that of Europe.

Mr Hall goes on to state that the rise in world prices caused by the reduction in EEC production would itself allow farmers to maintain output in Europe. Again, he entirely misses the point of guaranteed price structures—they enable farmers to invest confidently by ironing out the worst of such unpredictable market fluctuations. I cannot think of any industry that could be efficient or productive without a reasonable knowledge of what the prices for its products would be over a period of a year. That is why all developed countries operate farm price support systems—it is no coincidence that consumers in such countries are invariably well fed.

Mr Hall proffers a system of social support for small farmers to replace guaranteed price structures. Not only would this be incredibly difficult and expensive to operate, but it would also lack the benefit of ensuring reasonable production. It is also worth noting that the CAP currently does favour small farmers via the hill farmers regime.

The CAP is far from perfect and over production must be tackled, but I would suggest that a better way of trying to return some of the benefit of price support to the consumer would be to adopt deficiency payments systems wherever possible, as with the sheepmeat regime, and by allowing the sale of intervention grain to the livestock sector for animal feed.

Phillip Oppenheim, House of Commons, SW1

Ontario is closer to the bulk of the US market than Florida, Texas or California.

120 million consumers and 56% of North America's industrial market are within one day's trucking.

Good reasons why Ontario must be considered as a base for entering the North American market.

Further benefits of an Ontario location are:

- No foreign exchange controls
- No unitary taxation
- Business, banking, legal and cultural environment similar to UK
- Sophisticated, well-established industrial base
- Skilled labour force and supportive training programmes
- Dependable low cost energy and materials
- Good R & D incentives ● High educational and living standards

Professional guidance and assistance is available with: North American market studies; plant location; joint venture and licensing search; trade and export development; financial proposals.

Further detailed information is obtainable by completing the reply coupon.

Ontario, Canada

Government of Ontario, Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS, Tel: 01-930 4400 telex: 262517

Please send me detailed information on Ontario as a base for entering the North American market.

Name and Position _____

Company _____

Address _____

Tel No _____ Telex _____ FT3

Comparative car costs

From the Director-Marketing, Ford Motor.

Sir,—In your report on fleet car comparisons (February 28) Interleasing claimed that Austin Rover's new model would be the most cost effective in the important 1.6 litre class. This is not so. Regrettably your table of figures excluded the class leader: the Ford Orion GL 1.6 4-door.

The Orion GL has established its low running costs in several months of actual experience in fleet car operations. The Interleasing survey showed that even with the high specification GL model the monthly leasing cost for the Orion is £181 and annual petrol costs £1,030 giving an annual running cost of £3,550. At a cost per mile of 13.2 pence, the Orion GL is easily the lowest in the class compared with £3,588 and 19.6 pence for the next most competitive car.

Furthermore, since you published the Interleasing comparisons we have announced the introduction next month of the Orion L for which comparative fleet costs will be lower still.

W. E. Campilsson, Ford Motor Company, Brentwood, Essex.

Ontario is closer to the bulk of the US market than Florida, Texas or California.

120 million consumers and 56% of North America's industrial market are within one day's trucking.

Good reasons why Ontario must be considered as a base for entering the North American market.

Further benefits of an Ontario location are:

- No foreign exchange controls
- No unitary taxation
- Business, banking, legal and cultural environment similar to UK
- Sophisticated, well-established industrial base
- Skilled labour force and supportive training programmes
- Dependable low cost energy and materials
- Good R & D incentives ● High educational and living standards

Professional guidance and assistance is available with: North American market studies; plant location; joint venture and licensing search; trade and export development; financial proposals.

Further detailed information is obtainable by completing the reply coupon.

Ontario, Canada

Government of Ontario, Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS, Tel: 01-930 4400 telex: 262517

Please send me detailed information on Ontario as a base for entering the North American market.

Name and Position _____

Company _____

Address _____

Tel No _____ Telex _____ FT3

Ontario is closer to the bulk of the US market than Florida, Texas or California.

120 million consumers and 56% of North America's industrial market are within one day's trucking.

Good reasons why Ontario must be considered as a base for entering the North American market.

Further benefits of an Ontario location are:

- No foreign exchange controls
- No unitary taxation
- Business, banking, legal and cultural environment similar to UK
- Sophisticated, well-established industrial base
- Skilled labour force and supportive training programmes
- Dependable low cost energy and materials
- Good R & D incentives ● High educational and living standards

Professional guidance and assistance is available with: North American market studies; plant location; joint venture and licensing search; trade and export development; financial proposals.

Further detailed information is obtainable by completing the reply coupon.

Ontario, Canada

Government of Ontario, Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS, Tel: 01-930 4400 telex: 262517

Please send me detailed information on Ontario as a base for entering the North American market.

Name and Position _____

Company _____

Address _____

Tel No _____ Telex _____ FT3

SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Tuesday March 13 1984

Staffordshire Where ambitions are achieved! Contact: Industrial Promotion Office, Staffordshire Development Association, P.O. Box 11, Martin Street, Stafford, ST16 2LJ. Tel: 0785 3121 Ext. 7370 Telex: 36255.

Industrial revolutions FAG

Akzo plans major rights issue as profits rise sharply

By Walter Ellis in Amsterdam

AKZO, the Dutch chemicals giant, is celebrating its strong return to growth - net profit for 1983 up 160 per cent to Fl 428m (\$147.1m) - with a one-for-10 rights issue intended to raise Fl 110m.

Operating income rose last year by 71 per cent over 1982, to Fl 945m, on sales up 7 per cent, at just over Fl 10bn.

On the Amsterdam Stock Exchange yesterday evening, Akzo's share price fell on profit-taking, to around Fl 190 from the previous close of Fl 196.80.

Dividend for the year has been proposed at Fl 4 per Fl 20 nominal share, up from Fl 1.80 in 1982. Fl 1 has already been paid.

Yesterday's results were not unexpected. They confirm a trend which had been evident throughout 1983. The sharp improvement in the U.S. economy, restructuring of the important man-made fibres division and a recovery in chemicals generally, around the world all made their contribution.

Akzo's board described the results as "spectacular". A year ago, with fibres in disarray and the global recession at its nadir, morale at Akzo's Arnhem headquarters was low.

The turnaround since has been remarkable, and has been much remarked on throughout the industry.

For 1984, Akzo expects a further rise in earnings. This expectation is based on the positive development of the U.S. economy and the signs of a recovery now apparent in Western Europe.

The company does, however, issue a word of caution about exchange rate fluctuations. These benefited Akzo by Fl 31m last year, but the signs today are of a dollar decline.

Provisions have been set this time at Fl 1.5bn - slightly more than for 1982 - indicating the continuing cost of reorganisation.

Interest charges on borrowings rose from Fl 297m to Fl 340m, while tax on operating profit went up from Fl 26m to Fl 73m.

Suspense over final approval of ERT rescue

By David White in Madrid

THE 126 bank creditors of Union Explosivos Rio Tinto (ERT), Spain's leading private sector chemical group, are due to meet in Madrid tomorrow to approve a long-awaited rescue plan in an atmosphere of considerable suspense.

The meeting has been called after 18 months of tough negotiations following the group's decision to suspend repayment of debts amounting to about \$1bn.

The latest in a series of draft agreements, based on proposals put forward by Sr Jose Maria Escondrillas, whom the Socialist Government installed as chairman of ERT last year, stipulates that the holders of 97 per cent or more of the total debt must agree.

A company spokesman said yesterday that "absolutely certain" agreement had been obtained from the holders of 92 or 93 per cent of the debt and that it was hoped the threshold level would be reached on Wednesday.

The 24 members of the steering committee representing foreign and Spanish creditors are understood to have endorsed the proposed agreement, with the exception of Banco Internacional de Comercio, part of the Spanish Banco Central group, which accounts for about 2.5 per cent of ERT's unpaid debt.

Several other small creditors have also stood out against the agreement, although this lays down that dissenting creditors may not receive better terms than the signatories.

The proposals, which include a Ptas 250m (\$25.2m) divestiture programme, repayment of about two-thirds of the debt over four years and the issue of new "participating credits" and preference shares in compensation for interest owed and for exchange losses, has been adjusted to take account of some of the dissenting banks' main objections.

Agricultural products aid John Labatt

By Our Financial Staff

JOHN LABATT, the large Canadian brewer controlled by Brascan, the Toronto holding company of the Peter and Edward Bronfman group, boosted operating net earnings for the nine months ended January 31 to C\$96m (U.S.\$52.5m) or C\$1.93 a share on a diluted basis.

The result compares with profits of C\$65.5m or C\$1.76 a share last time, when there was also a C\$1.5m loss from the sale of the Laura Seaton confectionery unit to Bowntree Mackintosh of the UK. Revenues for the latest period were not given.

Labatt said the earnings improvement came mainly from agricultural products and packaged foods.

William Hall reports from New York on the latest merger in the oil industry Superior reserves tempt Mobil

Superior Oil, the biggest independent oil and gas producer in the U.S. has been up for sale for several months so Mobil's \$5.7bn bid did not come as a complete surprise.

Nonetheless, the deal, if it goes through, will be the fifth biggest merger in the oil industry and is further evidence of the major restructuring now under way.

Compared with Social's \$13.2bn bid for Gulf Corporation and Texas's \$10.1bn offer for Getty Oil, Mobil's \$4.5-shares offer for Superior is more easily digestible.

Superior's 1983 revenues totalled \$1.8bn, compared with Mobil's \$58.5bn and its workforce of 6,400 is a fraction of Mobil's 188,000.

For Mobil, whose president is Mr William P. Tavoulares, the business of integrating Superior into its organisation should not result in the same sort of upheavals which Texaco and Social potentially face with their respective purchases.

In addition, Superior, unlike many other prime takeover candidates, has no marketing or refining operations of its own so there should be no obvious antitrust difficulties.

Superior accounts for less than 1 per cent of U.S. production and Mobil less than 3 per cent.

Nevertheless, the Houston-based Superior is a very attractive prize. In an industry which is dominated by companies which are roughly twice as much oil as they are finding, Superior stands out as the major exception. Last year, Superior

Table with 3 columns: COMPANY, 1978-82, 1982. Lists companies like Superior, Tenneco, Pennzoil, Union, Shell, Amoco, Ory-Cities, Conoco, Sun, Gulf, Chevron, Arco, Mobil, Exxon, Texaco, Phillips, Getty, Marathon, Amerasia Hess, Sohio.

Chart expresses new oil and gas reserves found through drilling as percentage of oil and gas produced.

erates more than 60 platforms in the Gulf.

Although its U.S. crude oil production of 41,000 barrels a day is only 12 per cent of Mobil's production, its U.S. natural gas production of 843m cubic feet a day compares with Mobil's 1,506bn last year.

terms of its domestic reserve replacement record over the last five years, Superior comes out top. It is also one of the cheapest producers of oil in the U.S. and its cost of finding domestic oil (\$10.33 per barrel on average over the last five years) also puts it among the top U.S. companies.

With a record like this, Superior should have a powerful claim to stay independent, but, in common with Getty Oil, the company has been at the centre of a long-running feud between various members of the family of William Keck, the founder.

The row first surfaced around a year ago when Williametta Keck Day, the 62-year-old daughter of Mr William Keck, began a proxy fight against the company and her brother, the 70-year-old Mr Howard Keck, who had built the company into one of the most successful U.S. exploration companies.

Mr Howard Keck, who had headed the company for several decades, was anxious to put in place several devices to protect Superior from an unfriendly takeover.

Controlling over 10 per cent of the shares and with the manage-

ment on his side Mr Howard Keck seemed to be in a strong position to dictate terms.

However, his sister, who controls only just over 3 per cent, managed to rally considerable support against the passing of the anti-takeover devices. She has a powerful ally in Mr T. Boone Pickens, the head of Mesa Petroleum, which had bought a stake in Superior. By late spring she had managed to force the company to withdraw the measures which would have made it almost invulnerable to a hostile bid.

A few months later, Superior, headed by Mr Fred Ackman who had been brought in from Exxon in 1981, moved to consolidate its independence and bought back Mesa Petroleum's stake for \$42 per share, 10 per cent above the market price.

The move assured the Mesa group of profits of more than \$30m on its short-term investment, but enraged many of Superior's institutional shareholders.

For a while it looked as if Superior would get its wish to remain an independent factor in the oil business. But in mid-October Mr Howard Keck, one of the principal supporters of the company's continued independence, quit the board, starting speculation that he wanted to end the family feud with his sister and sell the company to the highest bidder.

Superior's management began to look increasingly isolated. The company moved to strengthen its board



Mr William Tavoulares

and after "two tough years" predicted a resumption of earnings growth in 1984.

Three weeks later, however, Mr Howard Keck announced that he had hired investment bankers Dillon Read to help him find a buyer for his shares. He also said that their value would be enhanced if the sale could conclude with the takeover of the company as a whole.

Superior hired Morgan Stanley to defend it and adopted a controversial "poison-pill" anti-takeover device by proposing an issue of new convertible preferred stock. Following opposition from Mr Howard Keck, however, the company backed down and for the last few months has been in an state of suspended animation as successive major oil companies have given it a thorough inspection.

In the last oil industry merger boom in 1981-1982 Mobil incurred more than its fair share of hostile publicity through its unsuccessful efforts to take over Conoco and Marathon Oil.

IWKA recovery under way

By John Davies in Frankfurt

INDUSTRIE-WERKE Karlsruhe (IWKA), the West German engineering group and robot manufacturer, has made a further step in its recovery programme, with increased profits and a boost in orders.

IWKA, which made a profit of DM 9.9m (\$3.8m) in 1982, said in a letter to shareholders that profits improved last year, although it gave no details. The company believes profits should remain stable this year.

Group sales revenue fell by 10.4 per cent to DM 758m last year, after recession led to a weak inflow of orders in the last few months of 1982.

The group's order inflow, however, picked up by 13.4 per cent to DM 616m last year.

IWKA has not paid a dividend for 10 years, but the company has indicated that a payout may be possible on the results of 1984 or 1985.

After major restructuring prompted by heavy losses, IWKA has placed strong emphasis in recent years on technical developments in welding machines and industrial robotics, which make up about 44 per cent of its activities.

Its other operations include military technical systems, measuring and control systems, and packaging machines.

IWKA recently disposed of its environmental operation, which involved production of refuse collection vehicles and sweeping machines.

Strong growth for two U.S. retailers

BY OUR FINANCIAL STAFF

STRONG growth was shown by two major U.S. stores groups over last year. Allied Stores lifted net earnings by 13.6 per cent from \$70.5m to \$80.1m in the fourth quarter to January, taking the total for the year to \$128.47m from \$90.66m.

Earnings per share for the year reached \$6.15, against \$4.41, with \$3.82 (compared with \$3.39) coming in the last three months.

A 13.9 per cent rise in sales for the quarter from \$1,080m to \$1,230m pushed the total from \$3,220m to \$3,890m.

Allied says it continued to benefit from the strength in consumer spending. On a comparable basis annual sales were up 11.4 per cent, with a 10.8 per cent rise in the quarter.

The results were helped by a \$4.3m decline in net interest expenses from favourable long-term financing in the preceding year.

American Stores, with the same year-end, raised fourth-quarter net profit 21 per cent from \$37.9m to \$45.8m, increasing the year's total annual sales were up 11.4 per cent, with a 10.8 per cent rise in the quarter.

The results were helped by a \$4.3m decline in net interest expenses from favourable long-term financing in the preceding year.

U.S. bank studies Norwegian venture

AN OSLO savings bank may become a 50 per cent partner in a Norwegian subsidiary which the Bank of America is planning to set up in Norway, after the relaxation of Norwegian restrictions on foreign banks establishing subsidiaries in the country.

An executive of Sparebanken Oslo Akershus confirmed that plans for a jointly owned subsidiary have been discussed with the U.S. bank.

State set to reduce stake in PKbanken

By Kevin Dome, Nordic Correspondent, in Stockholm

THE SWEDISH Government is to press ahead later this month with its plans for the partial privatisation of PKbanken, the state-owned commercial bank and one of the country's largest financial institutions.

The new share issue aimed at raising SKr 450m to SKr 500m (\$65m) in new equity will reduce the state's holding in PKbanken to just under 65 per cent. The group had total assets of SKr 123.3bn at the end of 1983.

The share issue was originally announced last November but the Government was forced to postpone its plans as a result of the so-called "Bainier affair".

Mr Ove Reiner, a former member of the PKbanken board, resigned last November as Justice Minister in the scandal surrounding his personal income tax affairs, and in particular a number of large loans granted to him during his time as a board member of the bank.

Last December the Government removed the chairman of PKbanken,

Conti-Gummi in knowhow pact

By Our Frankfurt Staff

CONTINENTAL Gummi-Werke, the West German tyre manufacturer, has agreed with a Japanese company to exchange knowhow on technical rubber products.

Technical products, including conveyor belts, tubing and air springs, made up nearly a third of Conti-Gummi's sales revenue of DM 3.4bn (\$1,370m) last year.

The knowhow pact has been reached with Toyoda Gosei, a supplier of components for motor vehicle manufacturing in Japan.

Conti-Gummi said yesterday that it was interested in the production techniques and organisational methods of Toyoda Gosei, while the Japanese company had a similar interest in studying the West Germans' technology.

In tyre manufacturing, Conti-Gummi has a much wider ranging agreement with Toyo Tire and Rubber Company, providing for manufacture of Continental tyres for Japanese vehicle producers.

It also has an arrangement with General Tire and Rubber Company of the U.S. for manufacture of Continental tyres for the American market.

Dr Peter Haverbeck, a member of Conti-Gummi's management board, said that the group's technical products made a profit last year for the first time since 1978.

Cardo lifts earnings and dividend

By David Brown in Stockholm

CARDO, the Swedish sugar, seeds and biotechnology group, has reported a 34 per cent jump in 1983 earnings to SKr 582m (\$75.7m) from SKr 433m after net financial items, but is expecting lower pre-tax results in 1984 because of poor weather.

The group posted extraordinary gains of SKr 32.6m against losses of SKr 21m in 1982.

Cardo is undergoing substantial reorganisation. Sorigina, its genetic technology and water purification company, has cut operations considerably, reducing losses from SKr 122m to SKr 13m.

Record year for Turkish bank

By David Burchard in Ankara

INTERBANK, widely regarded as the most dynamic force in Turkish banking, lifted profits from TL 1.4m to a record TL 3.1bn (\$12m) in 1983.

Interbank's loans advances rose 26 per cent in 1983, and 75 per cent of loans were export-related. Foreign exchange revenues improved to \$558m.

Although 1983 was a very difficult year for Turkish banking, Interbank expects to remain among the top three profitmaking banks.

Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED. Extract from Consolidated Accounts at 31 December 1983. Table with 3 columns: Item, 1983 (£'000), 1982 (£'000). Items include Share Capital and Reserves, Subordinated Loans from Shareholders, Total Capital Funds, Deposit Liabilities, Loans, Total Assets, Profit before Taxation, Profit attributable to Shareholders.

Income rise for General Cinema

By Our Financial Staff

GENERAL CINEMA, the largest cinema operator in the U.S., saw a major earnings boost. Earnings rose for the first quarter to \$11.1m, or 43 cents a share, from \$9.9m or 33 cents, despite revenues of \$202.9m against \$211.1m.

Gains in the beverage division more than offset lower earnings on the cinema side, the company said. Operating earnings fell slightly because of loss of revenues from a Miami TV station which was sold, but \$70m in proceeds was used to cut interest expenses.

Record year for Turkish bank

By David Burchard in Ankara

INTERBANK, widely regarded as the most dynamic force in Turkish banking, lifted profits from TL 1.4m to a record TL 3.1bn (\$12m) in 1983.

Interbank's loans advances rose 26 per cent in 1983, and 75 per cent of loans were export-related. Foreign exchange revenues improved to \$558m.

Although 1983 was a very difficult year for Turkish banking, Interbank expects to remain among the top three profitmaking banks.

Interbank's loans advances rose 26 per cent in 1983, and 75 per cent of loans were export-related. Foreign exchange revenues improved to \$558m.

INTL. COMPANIES & FINANCE

New Issue

March 6, 1984

SallieMae

Chartered by Act of Congress

SHORT TERM FLOATING RATE NOTES \$200,000,000

Dated March 8, 1984
Price 100%

Due September 13, 1984
Series 9-84

The interest rate on the Notes will be subject to weekly adjustment on the calendar day following each auction of 91-day Treasury bills, and will be equal to 15 basis points above the "91-Day Treasury Bill Rate" (expressed on a bond equivalent basis). Interest on the Notes is paid at maturity and accrues from March 8, 1984. The Notes are definitive securities and will be issued only in bearer form.

These Notes are the obligations of the Student Loan Marketing Association, a U.S. government-chartered, private corporation established by the Higher Education Act of 1965, and are not obligations of or guaranteed by the United States. The Notes are legal for investment by savings banks, insurance companies, trustees and other fiduciaries under the law of many states.

This offering is made by the Student Loan Marketing Association with the assistance of a nationwide Selling Group of recognized dealers in securities.

Roger C. Pastore Mitchell A. Johnson
Senior Vice President, Corporate Finance Vice President and Fiscal Agent

For more details, contact the Fiscal Agency Department at 800-321-7179

Student Loan Marketing Association

1050 Thomas Jefferson Street, N.W., Washington, D.C. 20007

This announcement appears as a matter of record only.

MPH chairman resigns to contest party leadership

BY WONG SULONG IN KUALA LUMPUR

MR TAN KOON SWAN, a leading Malaysian entrepreneur, has resigned as executive chairman of Multi-Purpose Holdings and is now widely expected to contest the leadership of the Malaysian Chinese Association, the Chinese partner in the Government.

Mr Tan, aged 44, was largely responsible for building up MPH from a company with a built-up capital of 30m ringgits (\$13m) seven years ago into a conglomerate with a paid-up capital of 450m ringgits, and assets exceeding 2bn ringgits. He has been succeeded by

Lee Sanchoon who left the Cabinet and stood down from the presidency of the MCA last year to go into business.

MPH has substantial interests in plantations, including control of Dunlop Estates, property development, banking, trading, and shipping. It is controlled by the MCA co-operative society, KSM, and Mr Lee's acceptance of the MPH job is seen as a strong endorsement of Mr Tan's challenge against Dr Neo Yee Pan, the acting MCA president, in the party's elections in June.

Mr Tan's supporters say his resignation underlines his preparedness to go into full time politics. His supporters acknowledge that Mr Tan's biggest liability is that most MCA party delegates still regard him as a businessman rather than a serious politician, although he has been a member of Parliament since 1978.

Early this month Mr Tan announced plans to reduce his business interests by proposing a merger between his family-controlled Supreme Corporation and Textile Corporation, which is controlled by the clanish Chinese-Hainanese community of which he is a member.

SA papers in property advertising battle

By Bernard Simons in Johannesburg

A QUIET struggle for market share between South Africa's two major English-language newspaper groups has turned into a bitter property advertising battle. The Argus group, the country's largest publisher, to expand its Sunday newspaper interests.

The Star, Johannesburg's main afternoon paper which is owned by Argus, has managed to capture a large slice of the lucrative property advertising traditionally carried by the Sunday Express, a regional Sunday paper owned by South African Associated Newspapers (SAAN), the group which also owns the Rand Daily Mail, probably South Africa's best-known paper.

The Star's bid for the advertising appears to be a prelude to a Sunday Star, which would be the strongest competition yet to the Jewel in SAAN's crown, the Sunday Times. Estate agents decided to switch to the Star after being offered rates fixed for five years at only a quarter of the Star's normal advertising rates. SAAN estimates that the discounts will cost Argus some R25m (\$21m) over the five-year period. Argus's net profit was R10.9m in the first half of its current financial year.

Mr Clive Kinsley, SAAN's managing director, said over the weekend that the move would be a general concern about the weakening effect such loss-leader tactics will have on the English language press as a whole. He conceded that the loss of the property advertising, which has been a 92-million page per cent weekend, is a serious blow. SAAN will not allow this sort of action by a competitor without forceful retaliation, he added.

Earnings rise at Saudi International

By Our Financial Staff

SAUDI INTERNATIONAL Bank (Al-Bank Al-Saudi Al-Alami), the London consortium bank in which the Saudi Arabian Monetary Agency has a 50 per cent stake, raised its pre-tax profits last year by 32.7 per cent to £20.3m (\$29.8m).

There was a strong improvement in net interest income, which rose 32 per cent to £33.1m. Mr Peter de Roos, chief executive, said this resulted both from a rise in the volume of interest-bearing assets and from higher yields.

Attributable profit rose about 20 per cent last year to £11.3m, of which £3.7m was paid out in dividends and the remainder transferred to reserves.

The bank has increased its provisions for loan losses from 1.15 per cent to 1.35 per cent of total loans outstanding because of "general concern" at increased credit risks.

Dunlop Olympic increases interim profits and payout

BY MICHAEL THOMPSON-NOEL IN SYDNEY

DUNLOP OLYMPIC, the diversified Australian industrial group, staged a smart improvement in interim net profit in the six months to December, and is raising its interim dividend from 4 cents to 5 cents a share, covered by earnings of 12.6 cents a share, against 8.9 cents previously.

Interim net profit was a record A\$32.9m (US\$31.3m), a gain of 35.7 per cent on the first six months of 1983-83.

Australia's mining and industrial majors are turning in much stronger profit for the current financial year, though the recent flow of good results has fuelled fears that the Government's prices and incomes accord with the unions may soon be subjected to pay pressures outside the central wage-fixing process.

Dunlop's improved interim profit was attributed to a return to the black for its tyre operations, reduced borrowings, and an improved economy.

Turnover was 6.2 per cent higher at A\$735.5m, while borrowings were reduced by A\$13m, cutting interest payments in the period from A\$18.1m to A\$9.1m. Tax took A\$23.6m, against A\$16.2m.

Results for the full year will reflect the good performance obtained in the first half, said Sir Brian Massey-Greene, the chairman.

Nicholas Kiwi, the Australian-based pharmaceuticals and household products manufacturer posted a net profit of A\$10.5m for the six months to December 31, up 16 per cent from the A\$8.7m of the same period of 1983.

The interim dividend has been raised from 6 cents to 7 cents a share. Turnover came to A\$167.2m, up 10.5 per cent. AP-DJ reports from Melbourne

Correspondent Banking with Sweden



Growth area or financial jungle?

Moving into the growth markets of Sweden and Scandinavia is a bit like entering one of our forests. You can either end up hopelessly lost or you can find the experience profitable and worthwhile.

It all depends on whether or not you have a reliable, trustworthy guide—a partner who really knows the way around.

And it's hard to find a Nordic business partner more reliable than SwedBank.

With assets of more than US\$12 billion, SwedBank is the fourth largest banking group in Scandinavia, with access to the most comprehensive branch network in Sweden and more than a third of Sweden's total

deposits. As a result we are able to offer specialised, experienced and thoroughly professional financial and clearing capability. Our foreign exchange operation is equally impressive.

Most important of all, we are as eager to extend our correspondent banking network as you are—precisely why we're prepared to invest more time and effort in a reciprocal relationship than a great many of our competitors.

It's a very different philosophy. And, if you're ready to move into our neck of the woods, you'd be well advised to find out more about it. Call or write today.



SWEDBANK
DOMESTIC NAME: SWEDBANKENAS BANK

SwedBank—an excellent name for International Banking

Head Office: S-105 34 Stockholm, Sweden. Telephone: 08-22 23 20 Telex: 1226 SWEDBNK S.
Representative Offices: The Old Deanery, Dean's Court, London EC4V 5AA Telephone: 01-236 4050.
Pereulok Sadovskikh 4, Apt. 2, 103001 Moscow, Telephone: 209 6830.
Affiliated Banks: Fennoscandia Limited, London. Banque Nord-Europe SA, Luxembourg.

Snia Fibre back in the black

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

CESANO is an otherwise unremarkable-looking town on the road from Milan to Como and the Italian lakes. What sets it apart from the other towns that ring the big city is the production plant of Snia Fibre, the textiles arm of Snia-BPD, the giant chemicals-to-defence concern.

What makes Snia Fibre remarkable within the group is that it made a profit last year for the first time in nine years. Sig. Demetrio Corradi, its managing director, allows himself a smile at the thought.

"When we publish the figures in April we shall have something good to say for a change. Turnover went up 11 per cent last year to L478m (\$298m) and we should show a small profit. This year will be even better because we have got the structure right. It is a nice feeling to know we are making money after so many years of losses."

Snia Fibre, like the two other Italian producers, Montefibre and Anic Fibre, and the whole of the European industry, is now feeling the benefits of a rationalisation programme which is ending just as demand for textile fibres is picking up by 5 per cent in Europe last year alone.

Rationalisation plan

Italy has the second largest textile industry in Europe after Germany, so when the industry turned down in the wake of the first oil crisis in 1974 it was particularly vulnerable. Massive over-capacity emerged throughout Europe as demand dropped and the industry was saved only by the intervention of Viscount Etienne Davignon, European commis-

sioner for industrial affairs, who in 1978 originated a plan to rationalise production. At that time the European industry was working at 67 per cent capacity compared with 92 per cent in pre-crisis days.

The Davignon plan, which was only fully successful, largely because the Italians dragged their heels on taking out surplus capacity. But by the time a second Davignon agreement was signed in 1982 they were fully co-operative.

For Snia, Davignon has entailed the elimination of some 30,000 tonnes of capacity at plants in Cesano, Naples, and Rome and the closing of a plant in Sligo, Ireland. It has also taken out 30,000 tonnes of capacity in a plant producing viscose near Milan, which was not part of the Davignon scheme.

The result has been two-fold: the company is concentrating on fewer lines, a trend being adopted throughout Europe; and it is getting its productivity per worker up to the European average.

Snia Fibre has at the same time been helped by an internal reorganisation by its Snia-BPD parent which has given it a more clearly defined management structure.

Snia-Viscosa (the company's name before it was changed to Snia-BPD last year), was a very loosely organised concern. All the operating divisions reported to the top and it was very difficult to find much rationale for the distribution of group costs among them.

In 1981 the divisions were put on a company structure, each with its own board, chairman, and managing director. They

were given individual rates of return and left very much to lead their own lives. The result, according to Sig. Antonio Belloni, chairman of the new Snia Fibre, has been a revelation. A new mood has been generated within the company and with the strong backing we have from our parent, we are much better organised to meet future needs.

Improved productivity

Even before the reorganisation Snia Fibre had been improving. Productivity per worker went up from 15 tonnes a year in 1977 to 17 tonnes in 1978 and then jumped to 27 tonnes in 1981. It is now 31 tonnes.

At the same time the workforce has been reduced from 12,000 in 1975 to around 4,000 now. At the time of the reorganisation it was 5,400.

Snia Fibre's turnover and losses before 1981 are not published because they were subsumed in the parent's. But in 1981 it made a loss of L3.2bn or a turnover of L480m and although they shot up to L27.8bn on a turnover of L438bn in 1982 two-thirds of that loss was accounted for by the cost of paying off displaced workers. The other cause of the turnover loss has been the concentration on fewer products and especially on those with higher added value. Like the rest of the European industry, Snia Fibre has eliminated general, low-cost commodity products and put more attention into speciality fibres, particularly those that will eventually end in leisure-wear garments, the big growth area in the clothing field.

Snia has always been a leading European company in the production of nylon, based on Italy's very strong hosiery market.

Nylon accounts for two-thirds of its workforce and the other main area of concentration is in acrylics, which takes a further 22 per cent of the workers. Snia now has 18 per cent of Europe's nylon market and 6 per cent of acrylics.

Snia also moving very fast towards speciality acrylics and in particular towards the highly sophisticated ones such as flame-retardant fabrics for aircraft, shops, and the home. Its great strength in acrylics, though, is that some 70 per cent of the new production plants sold around the world have been built with Snia know-how.

It might be argued that Snia would be more sensible to rationalise even further by getting out of polyester altogether; few other European producers are in all three fibres and its output of 12,000 tonnes a year is relatively small. Sig. Corradi retorts by pointing out that Snia is specialising heavily in fully-drawn polyester and that it has a considerable lead in some areas such as spandex yarn.

The European industry is increasingly moving towards specialised products, he says, and so we must do the same. We intend to adapt our product mix to the needs of our customers. For instance, the good dyeing quality built into our yarns is particularly important in the swimwear field when mixed with Lycra. We are the leaders in this field and see no reason to go out of it given our strength.

SANYO ELECTRIC CO. LTD.

Curaçao Depository Receipts of ordinary shares

The undersigned, acting as duly authorized Agent of Carnie Administration Company NV, announce that at the shareholders' meeting held on the 28th February, 1984, it was decided to pay a final dividend of Yen 3.50 per share for the fiscal term ending November 30th, 1983.

This dividend will be payable, less 20% Japanese tax, as from the 15th March, 1984, on the coupon no. 31 of the CDRs. Payment will be made at the undermentioned offices as follows:

\$ 5.97 per CDR of 10 dep. shares of 50 ord. shares
\$11.94 per CDR of 20 dep. shares of 50 ord. shares
\$59.70 per CDR of 100 dep. shares of 50 ord. shares

Residents of countries which have concluded a tax treaty with Japan, may, only afterwards, claim a 5% tax refund in Japan. The coupons no. 31 may be presented in:

LONDON to The Sumitomo Bank Ltd., Temple Court, 11 Queen Victoria Street, LONDON EC4N 4TP
to Bank Mees & Hope NV, Peltzstraat 2, to Banque de l'Union Européenne, 4 rue Gaillon, 75 PARIS 2e.
NEW YORK to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015.
AMSTERDAM to Bank Mees & Hope NV, Herengracht 548.
Amsterdam, 6th March 1984. BANK MEES & HOPE NV

CREDIT NATIONAL

US\$200,000,000 Guaranteed Floating Rate Notes 1994
Unconditionally guaranteed as to payment of principal and interest by

THE REPUBLIC OF FRANCE

For the six month period
9th March 1984 to 10th September, 1984
The Notes will carry an interest rate of 10 1/16% per annum
Bankers Trust Company, London
Fiscal Agent

July 1984

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

MONEY-MAKER OPPORTUNITY AVAILABLE

Water and water pollution are in everyone's mind on planet Earth. From private citizens to governments. Contaminated water is killing people, animals and vegetation. Billions of dollars are being allocated trying to solve man's greatest problem. Man's very survival is at stake. The situation is very critical.

Now, we have solved this problem! Definitely, positively, simply and economically! With our multi-patented water sterilisation equipment. Now, with our equipment, we can sterilise contaminated water instantly! Rendering it pathogen-free, bacteria-free, scientifically sterile! And without using chemicals of any kind! Or ozonation, reverse osmosis, ultra violet lights or even filters! Our equipment converts contaminated water, instantly, into safe and pleasant water for human, animal and vegetation consumption.

THE OPERATION OF OUR EQUIPMENT IS VERY SIMPLE, HIGHLY ECONOMICAL AND SCIENTIFICALLY FULLY TESTED, PROVEN AND ACCEPTED WORLD-WIDE! OUR CREDENTIALS SPEAK FOR THEMSELVES! THEY'RE AVAILABLE!

A small number of our equipment is now in use in many parts of the world for testing purposes. We receive nothing but praises! All such tests are available!

Listed here are some of our international patents: 3443055, 4171256, 4236996, 4201651 (U.S.A.).

Those capable of studying our patents and equipment will agree with us that we have the invention of the

century and the money-making opportunity of the century. We welcome investigations!

We manufacture several models to meet every conceivable need and application. We can also design to meet customer's specifications. Our smallest unit fits in the palm of your hand. Our biggest has a 200 litre per minute continuous flow capacity. And we can make them even bigger!

Here are some uses of our equipment. For drinking water, swimming pools, in the making of soft drinks, to pasteurise milk, to destroy cyanide, in the making of drugs and cosmetics, in the aquaculture to destroy predators (unwanted/harmful life), to destroy salmonella in animal feed water, to sterilise surgical instruments in hospitals and many, many other uses and applications.

Retail prices start at \$250 and go up to \$35,000 each. Export discounts from 30% to 50% off retail, depending upon model and quantity.

After three years of perfecting prototype productions, we are now gearing-up to meet the demand worldwide. Therefore, we are looking for dealers, distributors, sole agents, private labels, joint ventures and, above all, licensees to manufacture under our many patents and know-how.

Samples for testing and demonstration are available at 50% off retail. We can ship within four weeks after we receive the order and bank draft. Prices include air-freight.

Brochures and related information are available, gratis, to anyone who writes us.

S.M.C.
P.O. Box 27488 (375 West 400 North)
Salt Lake City, Utah 84127, U.S.A.
Telephone: 801 532-5600 Telex: 388-310 HALOGENICS SLC

Our Company and our products are registered with both Environmental Protection Agency and Food and Drug Administration

AA American Airlines, Inc.

on behalf of its Lessor, will offer for sale five (5) 747-123B passenger aircraft. Each aircraft will be sold for cash on the following closing dates:

AC NO	CLOSING DATE
3	4/13/84
4	5/02/84
5	5/11/84
6	5/29/84
7	5/31/84

These aircraft have been operated and maintained by American Airlines since new. For additional information and required bidding procedures, contact:

American Airlines, Inc., P.O. Box 619616,
DFW Airport, TX 75261-9616. ATTN: Aircraft
Sales & Services, MD 4H39. (817) 355-1281.

PRIVATE GROUP HAS SUBSTANTIAL FUNDS AVAILABLE

for investment in farming, small medium-size food manufacturing companies with expansion possibilities in the south-east. Any other genuine proposal considered. Write Box F4734, Financial Times, 10 Cannon Street, London EC4A 3DF.

BUSINESS EXPANSION SCHEME

Small Electronics Company, with reputable name, customers include MoD, Plessey, IBM, etc. Requires funds to market new unproven product in a growth market. Write Box F4461, Financial Times, 10 Cannon Street, London EC4A 3DF.

SHELTER YOUR PROFIT

100% allowances available to corporate bodies. No ceilings. Commercial rate of return. Principals only ring: BIRCHLEY FINANCE LTD. 0942 49677

NEW ZEALAND FINANCIAL BROKER

Established financial broker with strong commercial New Zealand contacts with to work with reliable financial institutions interested in providing first and second mortgage finance in amounts up to NZ\$1m by offshore lending. All procedures professionally introduced and monitored. In first instance please write to Box F4452, Financial Times, 10 Cannon Street, EC4A 3DF.

SUBSTANTIAL FUNDS AVAILABLE

to purchase Private Property Company Shares. Ideally companies having properties at a low base cost. All propositions considered. Fees paid and Agents retained where necessary. PORTNUT SERVICES LIMITED, 100 North Street, Truro, Cornwall, TR1 1AA. Telephone: 019-236 7078. Telex: 338282

TAX SHELTER

100% IBAAs
* 3.5% YIELD
* NO LAND COST ELEMENT
* RENTAL GUARANTEES
* VARIOUS SIZE UNITS
* NOW AVAILABLE
MacDonald City Limited, 21 Queen Street, Edinburgh EH2 3JG. Tel: 031-226 8959

SHARE AND SHARE ALIKE

Financial services group with offices in central Manchester has commercial and administrative facilities to offer. High tech solutions to everyday office needs has caused opportunity to share in pepperoni rates the efforts of some highly talented people. Investors should be directed to the Managing Director. Box F4426, Financial Times, 10 Cannon Street, London EC4A 3DF.

EGONOMICS POSITION

Part-time position in an international institution in London is sought by an ex-Ambassador's wife in her late thirties. Residing in the UK. Her education, both British and American, includes an Economics Masters Degree and fluency in five languages (English, Arabic). Has travelled widely and has extensive international connections. Write Box G.9538, Financial Times, 10 Cannon Street, London EC4A 3DF.

PROBLEMS ON PRODUCTION

Well equipped precision engineers near Heathrow will help to manufacture parts for you. Please phone Geoff Smith Colnbrook (028-12) 4734

SAFETY PRESENTATIONS

The safe way to handle and weigh drums also to store inflammable liquids and protect documents from fire. A video film for £22.00 which includes VAT and postage. For details only: Safety Designs Ltd, Oakfield Road, Chipswode, Bristol BS16 2LT. VHS or Betamax

TEXTILE AREA DISTRIBUTORS REQUIRED

As a leading Company in the electronic moving display market we plan to extend our network of area distributors. We require well established companies with an area based direct sales force but we would consider new businesses. You must be prepared to stock the products and work to agreed sales targets. The company offers excellent marketing support, good profit margins and an expanding range of competitively priced quality products. Enquiries: Stuart B. Jackman, National Sales Manager, TEXTILE MARKETING, Concord House, Concord Washington, Tyne & Wear. Tel: 091-417 8585.

LEASING A supply of LEASE TRANSACTIONS IS AVAILABLE for MARCH DRAWDOWN

Please contact: John Leaton or Melvyn Bryant, AITKEN HUME LEASING LIMITED, 15 Christopher Street, London EC2A 2HA or telephone: 01-377 1040

MERCHANT BANK—MORTGAGE CONNECTION REQUIRED

We are a multi-disciplined financial services company, with a rapidly expanding expertise clientele. To complement our existing services, we require a connection with a Merchant Bank capable of furnishing a constant supply of mortgage finance to high income earners. Serious enquirers should telephone (0402) 816572.

VENTURE CAPITAL REQUIRED

New company being formed to exploit a major opportunity in computer applications software for manufacturing companies. The project entails £250,000 needed to cover first months' marketing and sales with some further product development. Management teams identified. Multi-million pound opportunity in the UK. Principals only. Please state company affiliation and short background notes. Confidence assured. Write Box F 4473, Financial Times, 10 Cannon Street, London EC4A 3DF.

100% I.B.A.'s

London Units from £25,000—£90,000 8% yield Land cost approx 5% All enquiries to: Omnesport Limited 01-837 3844 01-701 1599

MY HOUSEBUILDING AND PROPERTY COMPANY

Made £227,000 gross profit on 2002 houses last year, but had 3 years' struggle prior to that. Now set for expansion. THERE ANYONE OUT THERE WITH A DIFFERENT ATTITUDE TO HOUSEBUILDERS THAN A CLEARING BANK? If so, please write to Box F4454, Financial Times, 10 Cannon Street, London EC4A 3DF.

BUSINESS EXPANSION SCHEME

Client company manufacturing garden and kitchen appliances seeks additional working capital for expansion and launch of new, innovative products. £20,000 required in tranche of £10,000 professional fees. Some equity participation. Details available from: MORRIS & COMPANY, Chartered Accountants, 32 Mercia Square, Frodsham Street, Chester CH1 3JZ.

CHANNEL ISLANDS BRANCH

Resident businessman with wide experience and connections in the Channel Islands, enquiries from suitable individuals interested in establishing a C.I. practice. Advertiser would establish and manage local branch. Some equity participation would be desirable. Reply: Box F4459, Financial Times, 10, Cannon Street, London EC4A 3DF.

YEAR-END TAX PROBLEMS?

For a free copy of our book 'Year-End Tax Problems' write to: ICA, 15 Abchurch Lane, London EC4N 3DF.

LANDLORDS CONTAINERS LIMITED

Twenty Only Limited Partnerships in a CALIFORNIA GOLD MINE are of special interest to investors on U.S. income. Local professional geological and engineering reports are available. Minimum participation of \$50,000 is subject to approval of mine owner. Write Box F4564, Financial Times, 10 Cannon Street, EC4A 3DF.

EXPANSION CAPITAL REQUIRED

A nightclothing company that has done better than expected requires to replace its present overhead/lean facility with a more reliable long term equity investment. Some involvement only. Only principals need reply. Write Box F3659, Financial Times, 10 Cannon Street, EC4A 3DF.

FOR SALE 150 ACRES IN HIGH POPULATION AREA

IMPORTANT LEISURE DEVELOPMENT OPPORTUNITY

EXCELLENT DEMOGRAPHIC LOCATION AND COMMUNICATIONS BY MOTORWAY, TRAIN AND TESSIDE AIRPORT. HIGH LEVEL OF DEMAND AND PLANNING CONSENT FOR: HOTEL - CONFERENCE CENTRE - CASINO INTENSIVE LEISURE ACTIVITIES AND PUBLIC ACCESS INCLUDING STEEPCHASE AND FLAT RACING FIRST CLASS SITE FOR THESE PARK. Offers in the region of £750,000 are invited for the site which includes many excellent buildings and the whole racecourse complex. GREEN & HAMILTON Tel. 0488 71557

LOOKING FOR NEW BUSINESS OPPORTUNITIES?

General Electric Company's 1984 edition of the New Product/New Business Digest describes 300+ products and processes that are currently available for licensing or cooperation in use or manufacture or are potential opportunities for some of the world's major companies (including 500 leading universities, 500 firms, government agencies, and individual inventors). You will learn of new large and small new inventions, product patents, fully developed, knowledge products, etc. with the help of contact companies which give you the direct follow-up. You may find the one product you need to start a new business or add to your product line. The Digest, 8 1/2 x 11 inch, 14th annual edition contains over 70 pages of color and 144,000 words (104,000 characters). All USA orders must include payment in local sales tax (US orders only). Outside locations call US 50 states, Republic orders only. General Electric Company's Technical Publications Operation, 120 Isle Boulevard, Room 310 A, Schenectady, NY 12305 USA.

LEISURE INVESTMENT WITH BUSINESS EXPANSION SCHEME ELIGIBILITY

Our company is seeking funds for expansion and higher profitability with a view to capital growth and seeking a public quotation in three to five years. For further information contact the Company Secretary, 0428 54329

BUSINESS OPPORTUNITY FOR A PRINTING CONCERN

Are you a first class Printer with one or more SR41 Presses — 4 and 2 colour? Are you within easy travelling distance of the M25, or could you move without loss of efficiency? Would you be interested in selling 51% of your business? If so, our clients would be interested in hearing from you. Write in first instance to Mr B. R. Burdon, Director, Grey Advertising, 72 Conduit Street, London W1R 9TG

MIDDLE EAST

Contractor seeks association with majority share of medium sized company with several years' experience and good references in: Installation, Commissioning and Maintenance of AUTOMATIC PROCESS CONTROL INSTRUMENTATION AND ELECTRICAL EQUIPMENT FOR ON OIL OFFSHORE OIL & GAS PROCESSING UNITS. Write to Box 0000, Financial Times, 10 Cannon Street, London EC4A 3DF with references and brochures.

100% I.B.A.'s

New Units at Fairwood Industrial Park, Ashford, Kent. Units from £79,895 to £438,570 Low land cost High yield For information contact BRADLEY'S: 01-406 1992 01-246 1000

EXEMPT COMPANY

In Britain managed by a well established company with over 20 years' Middle East experience, without continued investment. Full range of contracting/commercial building work in Saudi, Kuwait, U.A.E. Oman and Qatar. Go to date knowledge of local law regulations, full contract negotiating and strict business opportunities. Willing to invest equity in suitable projects in Gulf. Contact: Tel No. 272273 or write P.O. Box No. 20431, Bahrain or Tel No. 8552 7323AN 89

DO YOU HAVE PRODUCTS OR SERVICES SUITABLE FOR A DISTRIBUTORSHIP OR FRANCHISE OPERATION?

A very successful and proven entrepreneur with a proven international operation has the expertise and facilities to receive acceptable royalties. No fee is charged for consultation. Please write in the first instance with one sample. The Chairman, PRESTIGE CONTRACTORS CLUB, 27 Colmore Row, Fenchurch Lane, London EC3A 3BB, Wimbome, Dorset.

URGENTLY REQUIRED

by a discreet international purchasing organisation who pay the best prices plus give immediate decisions for distributors. Brand name with high quality gift presented merchandise. Gift certificates, stationery, originality, supply/expense equipment our specialty. MARTIN ABRAHAMSON, ANDREA CHESAD 0414 3378 0414 3379. Write to: BBS Wholesale International, 5 Canal Walk, Manchester M2 1HN, England.

NEW PRODUCTS

We specialise in finding partners for companies offering/seeking manufacturing under license and Technology Exchange Agreements also Joint Ventures and Company Sales/Acquisitions. LLOYD REUTER ASSOCIATES, 84 Blind Lane, Bournemouth, Dorset. Tel: 02525 28575

CONFECTIONERY

Wanted: Technical know-how for confectionery manufacturing in India. Brand name with know-how not essential. Lump sum payment of royalty payable for the know-how. Write Box F4457, Financial Times, 10 Cannon Street, EC4A 3DF

HIGH TECHNOLOGY COMPANY

looking for financial partner to exploit 3 years completed development in aluminium high vacuum brazing. Please reply to Box F4382, Financial Times, 10 Cannon Street, EC4A 3DF

MECHANICAL/ELECTRICAL/PLANT PRODUCTS REQUIRED

British registered international company of the highest repute, financially very strong, wishes to invest in Mechanical/Electrical/Plant products of £1 to £2 million per annum sales potential to integrate with one of their existing production units. The current group sales are circa £500m and besides being the UK market leader in its own products and services is very profitable. The wish is for:

1. New products which have not yet been fully developed.
 2. Products which are profitable but which do not fit easily into the existing manufacturing facilities or the existing product range or expertise.
 3. Good products which need a cash injection to fully develop their potential.
 4. Other opportunities — perhaps joint venture or products which show a loss when accounted for in a high overhead situation which would be better suited to a low overhead factory which already makes profits.
- Priority will be given to projects which already have some sales/marketing organisation or success. Replies from principals only please to Box F4456, Financial Times, 10 Cannon Street, London EC4A 3DF

CONTRACTING IN SAUDI ARABIA JEDDAH

Concrete Fabrication and Precasting Plant Available Immediately

All fenced with complete overall infrastructure, power, water, drainage, telephones and following facilities:

- Rector concrete beam manufacturing plant: 300,000 sq m per year/2 shifts
- Brouiller automatic block making plant: 3 million blocks per year/2 shifts
- Lamber batching plant: 15 cu m/hr with 2 x 40 ton silos
- Necessary steam, compressed air, generator plants, 10 plant vehicles, travelling crane, concrete testing lab, etc

Above installation fully operational but with insufficient sales, available to contractor on basis to be negotiated either short rental, lease or outright sale, possibly joint venture. Please send inquiry to Box F4471, Financial Times, 10 Cannon Street, London EC4A 3DF

FINANCE BROKERS REQUIRE DIRECT SOURCES OF BUSINESS FINANCE, MORTGAGES, LEASING, ETC

ANGLIAN BUSINESS CENTRE, 6, Reads, M2C. Phone: 0728 831964. DFT Licence 142782

Well established, profitable international AUCTION HOUSE

in Germany seeks 1 Million Deutschmark capital, also sleeping partner if preferred. Term: four years. Repayment starting after one year. Strictest discretion guaranteed. Replies only with proof of capital to: Box F4434, Financial Times, 10 Cannon Street, London EC4A 3DF

Tax Year Ending 31st March?

If your company is profitable and you have not yet taken steps to shelter your pre-tax profits, time is running out and further delay could cost you dearly. To determine how you can retain your current assets and further increase your profits through operational leasing, etc, now by contacting Europe's most experienced container management company. Finance facilities available.

Trans Container Services Ltd.

R.M. Division, 2 Chesham Place, London SW1X 8JH. Tel: 01-236 0591. Telex: 916302, TRANSA G

Licence for new cement product

International Swiss company looks for enterprises capable of manufacturing dry powder/aggregate concrete on a large scale. Our products were developed especially as repair material for construction concrete. They are the result of long-term research and offer high strength as well as extremely good chemical and mechanical resistance. Exclusive licences are to be given. Write Box F4470, Financial Times, 10 Cannon Street, London EC4A 3DF

FRANCHISES

CONSIDERING FRANCHISING? Our company provides a full range of services to enable both Franchisors and Franchisees realise their ambitions. For full details of our services and complimentary franchise newsletter contact us today. Franchise Development Services Ltd., Castle House, Castle Meadow, Norwich NR2 1PJ. Tel: 0693 827221/22001. Publishers of the U.K. Franchise Directory, the essential reference for all interested in Franchising.

FRANCHISE ADVERTISING Appears every Tuesday

For details contact: SUE MATHIESON, 01-248 8000 Ext. 3234 or 01-248 2131

PROFITS WITH A HIGH CEILING

Suspended ceiling after care is a specialised job. With the expertise and right equipment you have the basis for a successful business in a growing market. Consider Contech's proven business opportunity is now being made available in principal locations throughout the U.K. and Western Europe. You will enjoy the benefits of their comprehensive business package and continued marketing support. Greater London For an initial investment of £50,000 (finance available) you could be one of only ten Super Franchisees in this market conservatively estimated at £10 million. Europe Master Licenses now available for most major locations throughout Western Europe. Interested? Contact Ray Childs: CONTECH, Abbots Barton House, Wotton Road, Wincobur, Hants, England. Telephone: Winchester (08221) 63577. Telex: 477638 CON-FRD G. Part of the multi nation T. Turner, Concor Group. Registered with the British Franchise Association.

GET INTO CAVITY WALL INSULATION

Isodan offers the most comprehensive package in this profitable, buoyant and expanding market. Comprehensive details from: Isodan (UK) Limited, 12 Mount Egham Road, Royal Tunbridge Wells, Kent TN11 1EE. Telephone (0822) 44822. (Resale service during out-of-business hours)

day March 13 1984
ANCE
A papers
1 property
diverting
attle
Bernard Simon in Johannesburg
LET struggle for the
between South Africa
paper groups has
open hostility
ing moves by the
p. the country's
isher, to expand its
paper interests.
Star, Johannesburg
afternoon paper
rd by Argus, has
apture a large share
tive property
ive property carried
ay Express, a
can Associated Newsp
AN), the group who
s the Rand Daily Mail
South Africa's best
ie Star's bid for
prising appears in
ide to a Sunday
h would be the
petition yet to be
N's crown, the
es. Estate agents
which to the Star
not rates fixed for
only a quarter of
nal advertising rates
imates that the
cost Argus would
m) over the
od. Argus's net
to the first half
ent financial year.
r. Clive Kinley, the
aging director, said
kend that: "There
eral concern about
g effect such
ances will have on
ceded that the loss
perly advertising
to 92 tables—page
kond—is a serious
AN" will not allow
sion by a competent
forceful retaliation
ed.

the black

IDENT
re given individual
and left very
of their own
"according to
tion, chairman of
la Fiore," has been
n. A new mood
acced within the
d with the strong
from our point
re expanded the
ture needs.

improved product

Even before the
Fibre lab
reworking. Products
rker went up from
in 1977 to 11
79 and then jumped
ms in 1981. It is
nized.
At the same time
the new product
1989 to 1993 to
of the use of
regulation it was
Sci Fibre's number
s before 1981 are
shed because they
med in the profit
51.1, made a loss of
a turnover of £18
27.5hp on a turnover
1982 two-thirds of
s accounted for by
paying off a loan
The other half of
quid on a new product
specifically on those
ated value. Like
the European
fibre has eliminated
nd post more
pecially fibre,
ng that will
a growth rate
to be.

VISION ACCOUNTS FOR

of its workforce
main area, which
in any case, which
further. She now
works of Europe's
and 6 per cent of
Sm's is also moving
towards specialty
and in particular
highly sophisticated
as florist shops, and
aircraft shops, and
though it is that some
of the new products
sold around the
been built with
It might be more
rationed even
setting out
alternative in all
production are in
and its output of
a year is related
for many reasons
in fully drawn
that it has a
in some areas
days.

VISION ACCOUNTS FOR

of its workforce
main area, which
in any case, which
further. She now
works of Europe's
and 6 per cent of
Sm's is also moving
towards specialty
and in particular
highly sophisticated
as florist shops, and
aircraft shops, and
though it is that some
of the new products
sold around the
been built with
It might be more
rationed even
setting out
alternative in all
production are in
and its output of
a year is related
for many reasons
in fully drawn
that it has a
in some areas
days.

VISION ACCOUNTS FOR

of its workforce
main area, which
in any case, which
further. She now
works of Europe's
and 6 per cent of
Sm's is also moving
towards specialty
and in particular
highly sophisticated
as florist shops, and
aircraft shops, and
though it is that some
of the new products
sold around the
been built with
It might be more
rationed even
setting out
alternative in all
production are in
and its output of
a year is related
for many reasons
in fully drawn
that it has a
in some areas
days.

VISION ACCOUNTS FOR

of its workforce
main area, which
in any case, which
further. She now
works of Europe's
and 6 per cent of
Sm's is also moving
towards specialty
and in particular
highly sophisticated
as florist shops, and
aircraft shops, and
though it is that some
of the new products
sold around the
been built with
It might be more
rationed even
setting out
alternative in all
production are in
and its output of
a year is related
for many reasons
in fully drawn
that it has a
in some areas
days.

UK COMPANY NEWS

Good second half boosts Steetley profits to £23m

SECOND HALF pre-tax profits of Steetley, minerals, construction materials, chemicals, engineering group, surged from £9.9m to £14.5m and lifted the full year's figure to £23.2m for 1983, compared with a depressed £2.8m. A record £23.5m was achieved in 1979.

The dividend is also boosted, from 7p to 11p net per share, with a final payment of 7p.

The directors say that current results are evidence that their recommendation not to accept the offer from Hepworth Ceramic Holdings was correct.

"These results which reflect a strong recovery, are not considered to be an end in themselves but rather the creation of a new base on which to build."

The current year has started well, they state, and given a continuation of reasonable trading conditions, there will be a further increase in profits.

Turnover for the 12 months was down from £37.22m to £34.75m and in part reflects the divestment of UK chemicals manufacturing, and the Australian chemicals businesses, and decreased sales from Canadian distribution, the directors explain.

Profits, before interest, amounted to £29.48m (£18.94m) and were split as to: UK £24.53m (£13.48m); North America £1.79m (£1.79m);

HIGHLIGHTS

Lex concentrates on the latest upheavals in the City. Barclay's Bank confirmed its dual deals with jobbers Weid Burlacher and Mordant and brokers de Zoete and Bevan. Meanwhile another clearer, Midland Bank, was busy buying a stake in a leading broker, W. Greenwell, through its merchant banking subsidiary, Samuel Montagu. On the company news front the column goes on to review the latest figures from Steetley which were accompanied by a large dividend increase yesterday. Finally, Lex comments upon the full results from IMI which is trying to change its image into a diversified international group.

Group sales advanced from £169.85m to £209.28m and the profit before interest charges rose to £11.58m (up from £8.5m) and was split as to:— in £000s:— UK distribution £7,064 (£5,136); U.S. distribution £3,062 (£1,364); agricultural machinery £783 (£513); engineering £352 (£224); plastics and footwear £302 (£267).

There has not been any significant increase in volume in domestic heating and plumbing distribution, but margins have been maintained. Industrial distribution remains difficult with volume and margins inadequate; the bare business had a good half. The buoyant U.S. economy, the strong dollar and general growth in branches have all contributed to "excellent results" by Ferguson.

The agricultural machinery division has suffered mixed fortunes, but produced an encouraging result. Turnover in engineering remained static but profitability is improving; while one of the plastics companies made a good recovery owing to a 20 per cent increase in creditable performance.

After tax £3.83m (£3.12m) and minorities £10,000 (£5,000), the net attributable profit comes out at £3.8m (£3.12m). Earnings are shown at 25.5p (20.5p) per share and the interim dividend is lifted to 5.35p (5.05p). The final for 1983-83 was 10.81p.

At the last annual meeting the directors said they would continue to develop the distribution companies in the UK and America (products include central heating equipment, plumbing supplies, power tools), while they had endeavoured to bring the manufacturing companies to "an acceptable level of profitability."

Wolseley-Hughes has reason to be nervous when the Chancellor announces today. One of the fringe rumours about the Budget concerns VAT on home improvements, which would do no good at all to Wolseley's home heating business. That apart, all the emphasis at present is on the U.S., where Ferguson seems to be capitalising remarkably on the rate of economic growth.

The distribution business there is split roughly equally between the domestic and industrial markets, in a neatly counter-cyclical fashion. The industrial side is looked for shortly. The group is permanently on the hunt for further U.S. acquisitions, and the long-term aim is to make the U.S. the major source of profit. Most immediately, and barring fiscal accidents, full year profits should be around £21m. On an actual tax basis, this puts the share at 56p (up from 47p on a prospective multiple of 9.6).

THE USM is about to welcome a new recruit in its oil sector in the shape of North Sea and its principal activities are the exploration for and production of oil and gas in the North Sea. The group was among the most successful applicants in the search for licences in 1980, when it acquired 70,326

whose sole subsidiary Dawson was set up in 1980 to apply for North Sea exploration licences. The principal activities are the exploration for and production of oil and gas in the North Sea. The group was among the most successful applicants in the search for licences in 1980, when it acquired 70,326

GLASS CONTAINER manufacturer Beatson Clark recorded sharply lower pre-tax profits of £1.2m for 1983, against £2.35m for the preceding 12 months. This followed a stagnant second half in which the company broke even. Last year's second half saw a profit before tax of £712,000.

After a tax credit of £146,000 (debit £233,000), earnings per share amounted to 24.2p (25.3p).

The directors forecast that increased exports and some closures within the UK will contribute to improve the company's position.

Microgen plans full listing

Mr Patrick Barbour, chairman of Microgen Holdings, tells members in his annual report that he looks forward to continued steady growth in the use of computer output microfilm (COM). He also looks forward to further gains in productivity in the COM division and a substantial contribution to profits from the Syntheset and the LA COM businesses.

The company which specialises in processes for high-speed recording of computer data from magnetic tape or floppy disc, bought the COM bureau of LA Computer Services, a subsidiary of SA, for £281,200 last February.

For 1983 the company had turnover and trading profits of £269,000 and £174,000 respectively.

As already known Microgen pre-tax profits grew 57 per cent to £269,000 for the year to the end of October 1983.

The company is currently quoted on the USM, but is seeking a full listing on the Stock Exchange.

Dividends ANNOUNCED

Company	Date	Current payment	Corre. div.	Total for year	Total last year
A & G Security	May 11	0.95	0.83	1.78	1.78
Beatson Clark	May 8	5.7	5.7	11.4	9.9
Cambridge Elec	May 8	4.2	3.5	7.7	5
Clay & Forest	May 11	2.1	2.1	4.2	4.2
Goersey Atlantic	May 11	2.5	2.5	5	5
IMI	May 18	2.5	2.5	5	5
Merchants Trust	May 18	1.42	1.42	2.84	2.28
Murray Glendevon	May 23	1.05	1.05	2.1	2.1
Steetley	April 30	7	7	14	14
Wolseley-Hughes	July 31	5.35	5.35	10.7	15.89

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † USM stock. ‡ Unquoted stock.

Wolseley Hughes up by £3.4m in first half

SUBSTANTIAL GROWTH has been shown by Wolseley-Hughes in the half year ended January 31 1984, with profits before tax ahead from £7.25m to £10.64m.

Subject to any significant changes that might be introduced in today's Budget, the directors expect the pattern of trade to continue for the rest of the year.

Group sales advanced from £169.85m to £209.28m and the profit before interest charges rose to £11.58m (up from £8.5m) and was split as to:— in £000s:— UK distribution £7,064 (£5,136); U.S. distribution £3,062 (£1,364); agricultural machinery £783 (£513); engineering £352 (£224); plastics and footwear £302 (£267).

There has not been any significant increase in volume in domestic heating and plumbing distribution, but margins have been maintained. Industrial distribution remains difficult with volume and margins inadequate; the bare business had a good half. The buoyant U.S. economy, the strong dollar and general growth in branches have all contributed to "excellent results" by Ferguson.

The agricultural machinery division has suffered mixed fortunes, but produced an encouraging result. Turnover in engineering remained static but profitability is improving; while one of the plastics companies made a good recovery owing to a 20 per cent increase in creditable performance.

After tax £3.83m (£3.12m) and minorities £10,000 (£5,000), the net attributable profit comes out at £3.8m (£3.12m). Earnings are shown at 25.5p (20.5p) per share and the interim dividend is lifted to 5.35p (5.05p). The final for 1983-83 was 10.81p.

At the last annual meeting the directors said they would continue to develop the distribution companies in the UK and America (products include central heating equipment, plumbing supplies, power tools), while they had endeavoured to bring the manufacturing companies to "an acceptable level of profitability."

Wolseley-Hughes has reason to be nervous when the Chancellor announces today. One of the fringe rumours about the Budget concerns VAT on home improvements, which would do no good at all to Wolseley's home heating business. That apart, all the emphasis at present is on the U.S., where Ferguson seems to be capitalising remarkably on the rate of economic growth.

The distribution business there is split roughly equally between the domestic and industrial markets, in a neatly counter-cyclical fashion. The industrial side is looked for shortly. The group is permanently on the hunt for further U.S. acquisitions, and the long-term aim is to make the U.S. the major source of profit. Most immediately, and barring fiscal accidents, full year profits should be around £21m. On an actual tax basis, this puts the share at 56p (up from 47p on a prospective multiple of 9.6).

THE USM is about to welcome a new recruit in its oil sector in the shape of North Sea and its principal activities are the exploration for and production of oil and gas in the North Sea. The group was among the most successful applicants in the search for licences in 1980, when it acquired 70,326

whose sole subsidiary Dawson was set up in 1980 to apply for North Sea exploration licences. The principal activities are the exploration for and production of oil and gas in the North Sea. The group was among the most successful applicants in the search for licences in 1980, when it acquired 70,326

GLASS CONTAINER manufacturer Beatson Clark recorded sharply lower pre-tax profits of £1.2m for 1983, against £2.35m for the preceding 12 months. This followed a stagnant second half in which the company broke even. Last year's second half saw a profit before tax of £712,000.

After a tax credit of £146,000 (debit £233,000), earnings per share amounted to 24.2p (25.3p).

The directors forecast that increased exports and some closures within the UK will contribute to improve the company's position.

Microgen plans full listing

Mr Patrick Barbour, chairman of Microgen Holdings, tells members in his annual report that he looks forward to continued steady growth in the use of computer output microfilm (COM). He also looks forward to further gains in productivity in the COM division and a substantial contribution to profits from the Syntheset and the LA COM businesses.

The company which specialises in processes for high-speed recording of computer data from magnetic tape or floppy disc, bought the COM bureau of LA Computer Services, a subsidiary of SA, for £281,200 last February.

For 1983 the company had turnover and trading profits of £269,000 and £174,000 respectively.

As already known Microgen pre-tax profits grew 57 per cent to £269,000 for the year to the end of October 1983.

The company is currently quoted on the USM, but is seeking a full listing on the Stock Exchange.

Dividends ANNOUNCED

Company	Date	Current payment	Corre. div.	Total for year	Total last year
A & G Security	May 11	0.95	0.83	1.78	1.78
Beatson Clark	May 8	5.7	5.7	11.4	9.9
Cambridge Elec	May 8	4.2	3.5	7.7	5
Clay & Forest	May 11	2.1	2.1	4.2	4.2
Goersey Atlantic	May 11	2.5	2.5	5	5
IMI	May 18	2.5	2.5	5	5
Merchants Trust	May 18	1.42	1.42	2.84	2.28
Murray Glendevon	May 23	1.05	1.05	2.1	2.1
Steetley	April 30	7	7	14	14
Wolseley-Hughes	July 31	5.35	5.35	10.7	15.89

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † USM stock. ‡ Unquoted stock.

Pentos in black and prospects good

A RETURN to profits in the second half, as forecast, has been made by Pentos, the diversified industrial group, and can be offset against future profits.

During the year £4m cash was realised from the sale of businesses and investments which did not fit into future plans. Further disposals are expected to be announced during the current year as the divestment programme continues.

Mr T. A. Maher, the chairman, expects a further significant improvement in the results for 1984. He says the businesses on which the future of Pentos is being built have made an "encouraging start" and their future prospects are good.

Full implementation of the divestment policy (which may include the sale of the end of the current year) would mean the total elimination of bank borrowings and their associated interest charges. During 1983 bank borrowings were reduced from £2.2m to £2.2m; over the past three years borrowings have been cut by more than 80m.

Also, the tax losses currently available to the group are over £10m, of which £7m is in respect of those businesses which will continue in the year, and can be offset against future profits.

Canadian and UK operations of Profile Expanded Plastics both lost money, but they should pick up in the current year.

Results in the construction and property activities suffered from the timing of orders and completions, which can be critical factors, and sales came to £4.96m (£4.25m) and profits to £652,000 (£696,000). But the outlook for this year is better.

Demand at all the engineering subsidiaries continued to be depressed, and there were further redundancies at Messengers. Sales in the division came to £9.19m (£12.48m) and losses to £278,000 (£292,000) after stripping out the figures of Metalair which was sold in April 1983.

Total group sales of £47.42m (£58.84m) and trading profits of £1.69m (£231,000) were made up of: continuing businesses £31.06m (£38.5m) (revised) and £3.14m (£297,000); businesses to be sold £1.55m (£1.31m) and losses £843,000 (£644,000); businesses sold £2.28m (£16.04m) and £27,000 (£682,000).

Before tax was struck after interest charges of £1.42m (£2m). Tax takes £28,000 (£96,000) and extraordinary debits £1.94m (£1.28m).

leaving the net attributable loss at £34,000 (£3,01m). Before the extraordinary earnings are added (£3.55p) per share.

comment

These figures show Pentos still engaged in a slightly unsteady race between two bits of the balance sheet—debt, and shareholders' funds—as to which will come down the faster. At the moment, as a result of extraordinary write-offs, shareholders' funds have fallen to around 50m, net of goodwill, against net debt of £35m. There is still a lot more to be sold, and the company is confident that over the next year or two debt can be repaid entirely. Over the next few years, however, the focus has to be on the balance sheet. On the bright side, the revamped Athena and Caplan are showing signs of turning into good businesses, with high profit growth, and for the first time in years the group is separately attractive to investors. But until the divestment programme is complete, and the balance sheet is brought back to a healthy state, the group's prospects are likely to be limited. The preference dividend was again paid, and shares closed unchanged at 20p.

comment

There may still be a couple of small problem companies within its portfolio of 20 odd subsidiaries but the trends are clear enough at CEI. The inclusion of Elec-Trol, its only acquisition since being set free from Philips in 1981, distorts the picture slightly but strips that out and the underlying performance is even better. Elec-Trol added

the opportunity given by increased volume.

Interest receivable fell from £272,000 to £48,000 following the interest in the U.S. which is reduced interest rates.

After tax of £3.11m (£2.48m) and minorities, the attributable balance emerged ahead from £4.69m to £3.12m.

On a current cost basis profits came to £3.54m (£3.34m) and earnings per share to 18.9p (19.9p).

comment

There may still be a couple of small problem companies within its portfolio of 20 odd subsidiaries but the trends are clear enough at CEI. The inclusion of Elec-Trol, its only acquisition since being set free from Philips in 1981, distorts the picture slightly but strips that out and the underlying performance is even better. Elec-Trol added

the opportunity given by increased volume.

Interest receivable fell from £272,000 to £48,000 following the interest in the U.S. which is reduced interest rates.

After tax of £3.11m (£2.48m) and minorities, the attributable balance emerged ahead from £4.69m to £3.12m.

On a current cost basis profits came to £3.54m (£3.34m) and earnings per share to 18.9p (19.9p).

comment

Cambridge Electronic ahead to £9.7m

INCLUDING an increase of £1.79m in trading profits from electronic and electrical components, pre-tax profits at Cambridge Electronic Industries rose to £1.79m (£1.2m) for the year to December 31 1983.

Mr Rupert Jones, chairman, says that the improvement stems particularly from increased productivity and emerging benefits of significant investments in a number of companies in 1982 and 1983.

He also says that results partly reflect a healthier climate in the electronics industry, even though margins remain under pressure.

Pre-tax profits increased from £7.51m to £9.72m on turnover of £103.95m against £88.51m. The increase of 14.9 per cent in gross sales reflected the inclusion of a full year of Elec-Trol Inc, the U.S. activity acquired in December 1982.

The net final dividend has been raised from 3.5p to 4.2p which lifts the total by 1p to 6p. Earnings per 25p share improved by 20p.

Expansion of sales of comparable activities apart from Elec-Trol was 16 per cent. This included an element of price increase, but represented satisfactory progress against an economic background showing some relaxation from the worst effects of recession.

All three sectors of the group contributed to this progress.

A breakdown of turnover and trading profits of £9.72m (£8.94m) shows electronic and electrical components £60.53m (£47.59m) and £6.05m (£4.26m); defence and electronic systems £22.95m (£21.59m) and £3.12m (£1.76m); specialist engineering £19.47m (£14.63m) and £1.51m (£0.92m).

Margins remained under pressure during the period but Mr Jones says that through higher productivity the group grasped

the opportunity given by increased volume.

Interest receivable fell from £272,000 to £48,000 following the interest in the U.S. which is reduced interest rates.

After tax of £3.11m (£2.48m) and minorities, the attributable balance emerged ahead from £4.69m to £3.12m.

On a current cost basis profits came to £3.54m (£3.34m) and earnings per share to 18.9p (19.9p).

comment

There may still be a couple of small problem companies within its portfolio of 20 odd subsidiaries but the trends are clear enough at CEI. The inclusion of Elec-Trol, its only acquisition since being set free from Philips in 1981, distorts the picture slightly but strips that out and the underlying performance is even better. Elec-Trol added

the opportunity given by increased volume.

Interest receivable fell from £272,000 to £48,000 following the interest in the U.S. which is reduced interest rates.

After tax of £3.11m (£2.48m) and minorities, the attributable balance emerged ahead from £4.69m to £3.12m.

On a current cost basis profits came to £3.54m (£3.34m) and earnings per share to 18.9p (19.9p).

comment

Fidelity sounds profit warning

PROFITS AT Fidelity, manufacturer of televisions, stereo units, record players and tape recorders, have run into some inter-ference.

The group warned yesterday that pre-tax profits for the year to March 31 would fall "significantly short" of the £2.2m which it forecast at the time of last July's 33p rights issue. However, the shortfall is unlikely to affect the dividend forecast of not less than 3p net for the current year.

Following the announcement that Fidelity's shares fell 33p to 90p.

Mr Steven Dickman, the chairman, said: "The fact that we are sticking to our dividend forecast indicates that this is more of a hiccup than a disaster."

Since last November, the group said it had encountered technical difficulties with the introduction of a new chassis used throughout the range of its colour televisions.

A new chassis had to be developed, and a considerable number of sets already produced needed to be re-worked.

As a result, the group had to incur additional material and labour costs were incurred. The launch of new products incorporating the re-designed chassis was also delayed.

Fidelity also ran into delays over the test specifications for its new cordless telephones, which had to be resolved before production could continue.

Consequently, around one-third of the planned production of cordless telephones will not now be completed until the next financial year.

The group said all these difficulties had been overcome and production of cordless telephones and colour televisions was now proceeding well.

Mr Dickman said the group's revenue had risen sharply from £218,000 to £276,000. Demand for cordless telephones was strong, and the group expected the picture to improve in the next few months.

In the year to March 1983 group profits before tax were held back to £80,000 after reaching £228,000 at the half-way stage. The group had to sell off large stocks of CB radios at nominal prices, which led to an estimated £700,000 loss of profit.

comment

There may still be a couple of small problem companies within its portfolio of 20 odd subsidiaries but the trends are clear enough at CEI. The inclusion of Elec-Trol, its only acquisition since being set free from Philips in 1981, distorts the picture slightly but strips that out and the underlying performance is even better. Elec-Trol added

the opportunity given by increased volume.

Interest receivable fell from £272,000 to £48,000 following the interest in the U.S. which is reduced interest rates.

After tax of £3.11m (£2.48m) and minorities, the attributable balance emerged ahead from £4.69m to £3.12m.

On a current cost basis profits came to £3.54m (£3.34m) and earnings per share to 18.9p (19.9p).

comment

There may still be a couple of small problem companies within its portfolio of 20 odd subsidiaries but the trends are clear enough at CEI. The inclusion of Elec-Trol, its only acquisition since being set free from Philips in 1981, distorts the picture slightly but strips that out and the underlying performance is even better. Elec-Trol added

the opportunity given by increased volume.

Interest receivable fell from £272,000 to £48,000 following the interest in the U.S. which is reduced interest rates.

After tax of £3.11m (£2.48m) and minorities, the attributable balance emerged ahead from £4.69m to £3.12m.

On a current cost basis profits came to £3.54m (£3.34m) and earnings per share to 18.9p (19.9p).

comment

George Wills expects a shortfall

Instead of an expected record year, George Wills and Sons (Holdings) has been hit by a combination of factors, including a production of cordless telephones and colour televisions was now proceeding well.

Mr Dickman said the group's revenue had risen sharply from £218,000 to £276,000. Demand for cordless telephones was strong, and the group expected the picture to improve in the next few months.

In the year to March 1983 group profits before tax were held back to £80,000 after reaching £228,000 at the half-way stage. The group had to sell off large stocks of CB radios at nominal prices, which led to an estimated £700,000 loss of profit.

comment

There may still be a couple of small problem companies within its portfolio of 20 odd subsidiaries but the trends are clear enough at CEI. The inclusion of Elec-Trol, its only acquisition since being set free from Philips in 1981, distorts the picture slightly but strips that out and the underlying performance is even better. Elec-Trol added

the opportunity given by increased volume.

Interest receivable fell from £272,000 to £48,000 following the interest in the U.S. which is reduced interest rates.

After tax of £3.11m (£2.48m) and minorities, the attributable balance emerged ahead from £4.69m to £3.12m.

On a current cost basis profits came to £3.54m (£3.34m) and earnings per share to 18.9p (19.9p).

comment

There may still be a couple of small problem companies within its portfolio of 20 odd subsidiaries but the trends are clear enough at CEI. The inclusion of Elec-Trol, its only acquisition since being set free from Philips in 1981, distorts the picture slightly but strips that out and the underlying performance is even better. Elec-Trol added

John, in L10

March 13 1984

ts good

ing the net attributable
584,000 (£5.01m).
acquisitions.
p (loss 2.88p) per share
comment
se figures show
aged to a slight
between the two
since sheet—des
lers funds—so
se down the fact
ment, as a result
inary writ—off, sh
ds have it—own
net of goodwill,
t of £8.5m. There
more to be sold
pany is confident
next year or two
repaid entirely. O
years. Through
proved stubbornly
bright side, the
ena and Carbu
as of moving into
ses, with high re
for the first time
no is apparently
itive. But until
programme is complete
ance sheet used
up's prospects are
anced. The preme
ad was again
res closed unchanged

2.7m

und 8 points to
t contributed to
or as a whole. The
at the U.S. company
on this year. Overall
the unusually happy
seeing most of the
rket heading the
d with easier
up has been able
ices. An average
e within 10 points
owth try not seem
an industry norma
lizing prices are
real plus. To date
ok is 15 per cent
would not be rash
me of £1m to £10
is year. At an all
GDP the market
£1.0m—19 times
es. If CEI could
y priced high-tech
management
tempted to wheel
per.

George Will expects a shortfall

Instead of an expected
George Will (H
Holdings) has been
little price movement
soybean meal and
year profits will be
short of last year.
The price movement
an exceptional benefit
wins the group's best
commodity company with
a deficit of £582,000.
The company also
it has purchased a
ent stake in C
Widford.
The deal will be
total £50,000 cash
in based on profit
remance, provision
other payments of
£20,000 each.

alysis of
get tonight
he cost of

from 10.30p

se
NS PLC

ER 31, 1983

rowth

m

.0p

ertising
results from

is
ement in

st BHSILL



Don't you wish your financial statements carried the same weight.

One thing Mr. Lawson can be certain of, thanks to the media, is our undivided attention.
But if you're a business and you want to draw attention to your corporate point-of-view or to your financial services, it's a different story.
For a start, it costs money.
And then, once the money has been committed, there's the further worry whether or not the people you have entrusted it to will deliver the goods.
Will the advertising, the public relations activities and other promotional materials they have produced really work?
Now, however, there is a new, young, gutsy financial

agency that combines the best of both worlds: authentic city experience and extraordinary creativity.
The agency is CDP Waterhouse.
Where the managing director and the head of PR between them share 20 years banking and corporate experience with the bluest of blue chips.
Where the planners produce articulate strategies based on market knowledge and the latest, most relevant research.
And where everybody is devoted to one thing only: getting people to look the client's way.
Over the past two years we have worked on a wide range of projects, from generating off-the-page responses for a variety

of financial services companies to producing annual reports for major firms to advising banks on market positioning.
CDP Waterhouse is part of Collett, Dickenson, Pearce and Partners.
The British agency famous for creating campaigns for Benson and Hedges, Barclaycard, Hovis, Army officers and, well, it's a long list of successes and we like to keep copy short.
If you'd like your communications arm to start putting on muscle, why not ring Michael Waterhouse or Christopher Smith on 01-388 2424.
Or write to us at CDP Waterhouse Limited, 110 Euston Road, London NW12QD.

MINING NEWS

BIDS AND DEALS

Hampton Areas to float Australian subsidiary

BY KENNETH MARSTON, MINING EDITOR

LONDON'S Hampton Gold Mining Areas international natural resource group is to offer 25 per cent of its wholly-owned Australian subsidiary, Hampton Australia (HAL), to the Australian public via a AS7.3m (£4.5m) share issue. Shares of HAL have been granted approval for a listing on the Australian associated stock exchanges.

HAL will be issuing 9.7m new ordinary shares of 20 cents for subscription in Australia at a price of 75 cents per share, capitalising the company at \$52.1m (£18.3m). Hampton Areas will retain its holding of 29.1m shares of HAL, or 75 per cent of the latter's enlarged capital. The proceeds of the issue will be used by HAL to further its development. Its major interest is a 20 per cent stake in the Parings joint gold mining venture with CSB in Kalgoorlie, Western Australia.

This is producing gold at the rate of some 35,000 oz a year from its expanded plant. The joint venture is now close to completing a feasibility study into the economics of further increasing annual gold production to around 64,000 oz. HAL also has interests in several Western Australian exploration joint ventures and is carrying out active exploration programmes. The HAL offer is in line with Australia's desire for increased local participation in foreign-controlled projects. Hampton Areas also points out that more should be provided HAL with greater opportunities to participate in other mining and mineral related projects in Australia.

Buy-out of Bejam joint venture for £2.7m

FIVE senior executives of Meatpak Hampshire Group have purchased the company and its 530m-oz frozen beef, lamb and pork business.

With financial support from leading institutions, they are paying a total of £2.7m to acquire Meatpak from its founders, Bejam Group and Swift and Co., a subsidiary of the American-owned multinational, Eskmark. Meatpak has 520 employees. Its headquarters and beef and lamb plant are at Chandler's Ford, Hampshire, with the pork plant at Beesley, Suffolk. The buy-out team has been led by 41-year-old managing director Mr Peter Howard-Jones. His colleagues, all of whom have had major food industry experience, are Roy Kepling (financial director), Shade Munro (sales and marketing), Geoffrey Wood (research and development) and Derek Ware (production).

Brockhouse door opens for Evered

BY RAY MAUGHAN AND LORNE BARLING

Caparo Industries, the industrial group headed by Mr Swraj Paul, lost its bid yesterday to take control of Brockhouse, the loss-making West Midlands engineering group. The way is now open for Evered to make a recommended outright £7.2m offer for the company. At an extraordinary meeting, shareholders in Brockhouse voted decisively to turn down Caparo's proposals to inject a much-needed £5m cash transfusion into the group through a subscription of 20m new shares. Caparo's bid would have had a 61.7 per cent stake in Brockhouse. Learning of Evered's bid intentions, Caparo announced that it would stand in the market and pay 45p for each Brockhouse share but in the end the vote went 5.55m shares against the required resolution and 3.44m in favour. Mr Swraj Paul said after the meeting that "we will look at the Evered offer, but we have no desire to hold their paper". Caparo already holds a 17.4 per cent stake in Brockhouse. He

added: "The vote means that shareholders want more time to think about the matter." Brockhouse, however, is not readily available. Brockhouse has lost money in each of the last three years and its net borrowings, still rising, had reached £15.1m at the end of January. The banks had said that their continued support depended on the injection of additional capital. Brockhouse's net worth is shown at £20.8m; at September 30, losses amounted to £682,000 in that year. Mr Raschid Abdullah, the chairman of Evered, said yesterday that "we think assets will be about £2.5m after all write-offs. Certain companies which would have to be sold since they are too small for their industries. He said that the transactions and Triangle Valve subsidiaries are "bleeding badly" while the Brockhouse Chawin precision has been losing about £500,000 annually. In addition, the Evered board believes that

Brockhouse's property assets are probably "overstated." The two profit-making activities are the Royal Navy's bulk materials handling business at Stroud, and the North American subsidiaries and assets, historically about £2.5m between them. Evered was able to bank up the heavy expansion of its equity base entailed by these issues with profits of £737,000 in 1983 against £222,000. Evered and Tipson, the rope manufacturers, lost £128,000 before tax in the two and a half months since its acquisition for £2m. The board, however, believes E.C.E. will make profits of between £500,000 and £750,000 before servicing debts of £14m.

The takeover passed yesterday that Oceanic Investment, which has built up a stake of 11.5 per cent in Brockhouse at prices above the bid price, is not in concert with Evered, although Mr Raschid Abdullah acts for the various Arab interests invested in Oceanic.

Gold bonanza for Mr Powell

A GOOD deal of interest has been sparked off in Western Australian mining circles at the news that a gold prospector, Mr Bill Powell, appears to have "struck it rich" near Coolgardie, 350 miles north-east of Perth. The ore from the find is being processed at the local state battery and has been yielding more than half an ounce gold per tonne. Some workings are reported to have averaged 26 grammes per tonne.

Mr Powell's open-pit is about 100 metres across and about five metres deep, near to the abandoned Macpherson's mine. The orebody runs north-south and is open at both ends. It is thought by the nature of the quartz deposit that the gold could also occur at depth.

Tin production

TIN concentrate production by the Malaysian Gopeng group eased last month after increasing in January. In the case of Gopeng itself the February figure makes a total for the first five months of the current financial year of 6213 tonnes against 7194 tonnes in the previous year. For the first two months of 1983 Mambang Di-Awang has produced 764 tonnes against 44 tonnes in the same period of 1983 while output of Idris for the period amounts to 32 tonnes against 164 tonnes.

ZCI struggling on

A NET loss of U.S.\$918,000 (£680,000) for the half-year to December 31 compared with a loss of \$1.83m in the same period of the previous year is reported by Zambia Copper Investments. No dividend was received from the 27.3 per cent holding in Zambia Consolidated Copper Mines (ZCCM). However, ZCI says that \$5.98m (£2.54m) of previously reported income which was tied up in Zambia awaiting externalisation has been reclassified as a sterling-designated long-term loan to the Zambian Government. Re-

payment will be due in three half-yearly instalments starting on September 30, 1984. ZCCM is suffering from production shortfalls caused by critical shortages of spares and mine equipment. After taking in taxes it made a net loss of \$24.4m in the December quarter. This left the big copper producer with a net loss of \$14.4m for the cumulative nine-month period of last year against a net loss of \$120.1m in the same period of 1982. The figures of ZCI were unchanged in London yesterday at 191p.

MINING NEWS IN BRIEF

THE Rio Tinto-Zinc group's Australian CRA subsidiary has now opened an office in Beijing and signed two agreements which extend the company's technical exchange activities with China's ferrous and non-ferrous metallurgical industries for a further five years. Sir Roderick Carnegie, chairman of CRA said: "The Chinese lead has embarked on a determined course to raise the living standards of its citizens. The visit of Premier Zhao Ziyang to Australia last year and Prime Minister Hawke to China last month have provided an umbrella under which business relationships beneficial to both sides can flourish."

group's South African offshoot, Rand London Corporation, is reopening its Brockwell mine on a partial basis as a result of new orders for the particular quality of anthracite available from the mine. It was placed on care and maintenance in February, 1982, because of the falling world demand for anthracite. Rand London also announces that negotiations have been completed for leasing of the mineral rights of an area at Looppruit in the Transvaal. The company's coal division will continue the opencast production of D grade bituminous coal from the existing mine which will be expanded to meet rising orders.

English China Clays

The disposal of its interest in Katalistika International BV has been announced by English China Clays. Following an approach by Union Carbide Corp of Connecticut, U.S. The approach was made to the three shareholders in the fluid cracking catalyst (FCC) company Katalistika. Agreement has substantially been reached for the acquisition by UC of the whole of E.C.C. business, including assumption of all debts, for approximately \$107m (£78.6m). UC and KI expect the acquisition to be completed by the end of May. The other shareholders in KI each of which has a one third interest, are EKA AB of Sweden and CRI International Inc of Baltimore U.S. Consideration attributed to E.C.C.'s one third equity interest will be of the order of \$15m (£10.3m) compared with the \$10m made in December 1981.

Stewart Nairn

Stewart Nairn has agreed with Benchmark Corp. NV to exercise its options to acquire Benchmark's freehold interest in 9/15 Sackville Street, W1, for £8.5m. Consideration will be satisfied by transfer from SN to Benchmark of shares at an agreed value of £8.5m and £2.65m in cash.

Swedish group bids £13.6m for Macpherson

BY RAY MAUGHAN

Becker, a quoted Swedish consumer paints and industrial coatings manufacturer, yesterday announced that it had been blocked by the rise in Macpherson's share price which closed yesterday 15p ahead of 84p. Mr Hans Miver, president of Becker, explained that "Macpherson's interests in retail paint, in the main represented by the Cover Plus range of paints, are compatible with Becker's trade paint division, operated by Becker throughout the Scandinavian countries." The bidder's strength in the area of industrial coatings, couple with the technical expertise of both groups, will provide a solid base for expansion and further development of those businesses. Becker's UK activities comprise industrial paint in Walsall, powder coatings in Woking and coatings for the oil and gas fields.

been made to raid Macpherson's shares although efforts to support the offer through market purchases had been blocked. Mr Miver said that Macpherson's share price had risen to 15p ahead of 84p. The approach drew an instant and emphatic rejection from the Macpherson board, headed by Mr Rex Chester, who said that "the offer has no commercial benefits and the price offered reflects neither the underlying worth nor the prospects of the group." Net worth, the chairman said, is £18.65m. He noted that Becker's supposed attempt to buy 10 per cent of the share capital at the offer price through the market yesterday morning "appears to have been completely unsuccessful". Baring Bros, advising Becker, denied that any attempt had

coupled with an on-shore blasting station, at Great Yarmouth. Becker employs about 200 people in the UK and has expanded from its Swindon base—where it has 30 per cent of the consumer market—into most other European countries and exports "European" cross-fertilisation of technology will result from the acquisition. At the same time, Macpherson has various complementary overseas operations, notably its 75 per cent owned Malaysian subsidiary, Sisons, and offshoots in Trinidad and Malta. Overseas, profits growth more than offset Macpherson's 44 per cent shortfall in UK trading profits in the year to October, 1983. These problems were made up in large part by substantial

In addition, Macpherson has met the cost of 300 redundancies at its Bury operations and provided for the sale or impending sale of its three loss-making subsidiaries, Agrodome, South Africa, Newcaste Paints, North Ireland, and Sherwood Parsons, the UK vehicle re-labelling business. Loss elimination following those disposals would be worth some £1.2m, according to a recent analysis by W. Greenwell, and it is expected that Woolworth's ordering will pick up substantially after the heavy de-stocking which carried over into the first quarter of the current financial year. The brokers have, however, calculated that Macpherson will be in loss for the first half, possibly by as much as £300,000, although the firm has estimated that trading profits could improve rapidly thereafter.

BIDS AND DEALS IN BRIEF

Mills and Allen Intl is now interested in 2,000 ordinary shares, 7.9 per cent of Hogz Robinson Group. Geosite Survey Group, part of Oceotec Group, has acquired COMAP Project Management Services, a group of geophysical survey companies based in Manchester, UK and Houston, U.S. COMAP's high resolution geophysical expertise complements Geosite's international spread of survey companies and enhances the Geosite's quality survey services throughout the world. Major contracts are already being jointly undertaken by the two companies in Alaska and China. Geosite Survey Group is a world leader in the marine survey and positioning industries. Hanson Trust owns or controls approximately 75 per cent of London Brick ordinary stock. The offers for the ordinary and preferred stock units have been declared unconditional as to acceptances and are now recommended by the board of London Brick. At the request of Hanson, the London Brick board has decided not to pay the second interim dividend on the ordinary stock announced on February 24 for payment on April 10. British Tar Products has sold its trading business, Wymouth Lehr & Fatolis to N. W. Harvey, an unlisted commodity trader based in the City of London. BTP received £1.15m in cash from the sale, comprising £700,000 in respect of the share capital of Wymouth and £450,000 in respect of inter-company borrowings. The consideration represents the estimated net tangible assets of Wymouth. Wymouth was not part of BTP's mainstream operations and

contributed less than 5 per cent of BTP's pre-tax profits for the year ended March 31 1983. In the edition of March 9 it was reported that Anglo-Indonesian Corporation had acquired a further 34.2 per cent stake in Aestoy Industrial Metalburgues. The second paragraph of this story, beginning "A third aim..." did not refer to Anglo-Indonesian. Security Centres Holdings has started a joint venture company in the Middle East called defense and Security International. The other partners are Defense Systems, a British company and the Middle East Institute for Strategic Studies which is based in Jordan. DSI operates from Cyprus and provides advice on security matters, from threat assessment to system design and response force organisation. The joint venture is an important step in the company's development as an international security group. The initial collective capital was not significant but the potential profits for 1985 and beyond are substantial. Havitis has acquired Gull West Suits for £150,000, of which £100,000 is payable in cash and £50,000 will be satisfied by the issue of 350,000 ordinary shares at 15p per share. Net asset value of Gull at the end of March 1983 was £168,570 and pre-tax profits for the year to the same date amounted to £21,665. The Gull acquisition is an expansion into the leisure industry. Crest Nicholson has acquired the business and assets of All-Pro Turf, an established supplier of artificial sports surfaces based in Oklahoma City, for U.S.\$775,000 (£251,000) in cash.

DCNY Corp. Discount Corporation of New York

58 Pine Street, New York, N.Y. 10005 Tel. 212-248-8900 • WUI Telex 620863 Discorp WU Telex 125675 Discorp NYK

CONSOLIDATED STATEMENT OF CONDITION December 31, 1983

Table with columns for ASSETS and LIABILITIES AND STOCKHOLDERS' EQUITY. Assets include Cash on hand, cash deposited, bank acceptances, government securities, other securities, customer deposits, and land/building. Liabilities include loans payable, government securities, accrued interest, customer balances, taxes, and stockholders' equity.

DIRECTORS

- KENNETH S. AXELSON, Former Executive Vice President and Director, J. C. Penney Company, Inc. JACK F. BENNETT, Senior Vice President and Director, Exxon Corporation. ROBERT H. BETHKE, Former Chairman of the Board. JOHN C. BIERWIRTH, Chairman of the Board, Grumman Corporation. DONALD G. BRODIE, Executive Vice President. GEORGE CHAMPION, Former Chairman of the Board, The Chase Manhattan Bank, N.A. EMILIO G. COLLADO, Chairman of the Board, Grace Geothermal Corporation. DANIEL P. DAWSON, Chairman of the Board, United States Trust Company. ANTHONY J. HANLON, President. JOHN A. LUKE, President and Director, Westvaco Corporation. ROBERT A. MAES, President, Independence Foundation, Philadelphia. SCOTT E. PARDEE, Executive Vice President. RALPH F. PETERS, Chairman of the Board. JOHN J. SCANLON, Former Executive Vice President and Chief Financial Officer, American Telephone and Telegraph Company. W. BRUCE THOMAS, Vice Chairman, Chief Financial Officer and Director, United States Steel Corporation.

OKOBANK U.S.\$50,000,000 Floating Rate Capital Notes due 1992. SUMITOMO HEAVY INDUSTRIES, LTD. U.S.\$30,000,000 Guaranteed Floating Rate Notes Due 1984. YAMAICHI INTERNATIONAL [NEDERLAND] N.V. U.S.\$20,000,000 Floating Rate Certificates of Deposit Due 1987. Issued by Samuel Montagu & Co. Limited.

Handwritten signature or mark at the bottom of the page.

COMPANY NOTICES

CANADAIR LIMITED

NOTICE OF A MEETING OF HOLDERS OF 12 1/2% GUARANTEED NOTES DUE MARCH 15, 1987

NOTICE IS HEREBY GIVEN that a meeting of the holders of 12 1/2% Guaranteed Notes (the "Notes") issued by Canadair Limited...

NOTICE FROM CANADIAN IMPERIAL BANK OF COMMERCE TRUST COMPANY AS FISCAL AGENT RELATING TO THE ISSUE OF U.S.\$175,000,000 12 1/2% GUARANTEED NOTES DUE 1987 BY CANADAIR LIMITED

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) OF MURATA MANUFACTURING CO. LTD.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) OF MINEBEA CO. LTD.

CLASSIFIED RATES table with columns for rate, single column, and double column.

PERSONAL

LEARN GERMAN

Financial Times

UK COMPANY NEWS

IMI soars £10m and pays 4p total

SHARPLY IMPROVED results by its fluid power and drinks dispense interests enabled IMI to record further progress through the second six months and lift its pre-tax profit for the full 1983 year by £10.5m, an increase of 46 per cent.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of announcing dividends.

Table of board meetings with columns for company name, date, and time.

For the opening six months group pre-tax profits climbed from £7.3m to £12.2m on the back of a 10 per cent rise in turnover to £37.7m.

Good start at Granada and rentals reach peak

A GOOD start to the current financial year has been made by Granada Group, and Mr Alex Bernstein, the chairman, told the annual meeting that profits in the first four months were significantly better than for the same period last year.

Metalrax rises 24% to £2.04m

Pre-tax profits of Birmingham-based Metalrax Group, engineering concern, expanded by 24 per cent from £1.64m to £2.04m for 1983.

Yarrow upsurge at interim stage

AN UPSURGE in first half profits is reported by Yarrow, and the directors are confident that the subsidiaries can take advantage of improved trading conditions.

maritime engineering consultancy and the manufacture of ticketing and fare collection systems.

and expect those to be maintained in the second half. Automatic Revenue Controls has been slimmed down drastically.

A & G Security improves 32% and tops up interim

A & G Security Electronics, which recently obtained a full Stock Exchange listing following a spell on the USM, pushed its pre-tax profits up to £457,000 for the six months ended January 31, 1984.

up the net interim dividend by 15 per cent to 0.95p (0.825p) per share from half year earnings of 1.96p (1.64p) on a fully taxed basis.

Cifer profits eliminated by start-up costs

Costs associated with the opening of a plant at Cwmbran, South Wales, together with those of introducing a major new range of products will "eliminate profits" at Cifer in the first half of the current year.

Advertisement for LTCB (Long-Term Credit Bank of Japan) with a large circular graphic and text about international business ventures.

Advertisement for Jebel Ali Port Authority featuring a large image of a port facility and text about extending chilly reception to delicate cargoes.

International experience you can bank on. The Long-Term Credit Bank of Japan, Ltd.

DUBAI'S PORT AUTHORITY OF JEBEL ALI. P.O. Box 3258, Dubai, United Arab Emirates. Tel: 472570 Telex: 46580 IFAJA EM Cable: PAJADUB U.A.E.

SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday March 13 1984

Two floating rate note issues total \$200m, Page 36

NEW YORK STOCK EXCHANGE 28-29 AMERICAN STOCK EXCHANGE 27-28 U.S. OVER-THE-COUNTER 28, 36 WORLD STOCK MARKETS 26 LONDON STOCK EXCHANGE 28-31 UNIT TRUSTS 32-33 COMMODITIES 34 CURRENCIES 35 INTERNATIONAL CAPITAL MARKETS 36

WALL STREET Nerves are partially overcome

WALL STREET'S stock markets turned sharply upwards yesterday afternoon when an analyst at a major brokerage house voiced the growing belief among the major institutions that both bond and stocks may have been oversold. The response from the investment institutions was restrained, and turnover in the market remained fairly modest. But leading stocks moved higher after Mr John Meldson of Dean Witter Reynolds said that he is bullish for both stocks and bonds, and that he expects the second leg of the bull market to start in this area.

was heightened when the key federal funds rate edged up from its opening rate of 9 1/4 per cent to 9 3/4 per cent, at which level the Federal Reserve helped the market with a further \$2.5bn in customer repurchase arrangements, making a total of \$12.5bn since the beginning of the month. The apparent inability of the Fed to hold rates down strengthens the argument that it may be about to change policy.

The latest Fed statistics showed another substantial increase in bank lending to industry, although the total of \$22.37bn includes the large borrowings involved in the merger fever in the oil industry. Mobil, which remains the second largest U.S. oil group following its purchase of Superior Oil - with Exxon still by far the biggest - traded quietly at \$29 1/2, down 5/8 on Friday's close. Superior traded busily at \$39 1/4, a fall of 5/8 on overnight, and close enough to Mobil's offer of \$45 a share to suggest that the market expects the bid to escape any antitrust problems.

Heavy turnover in Gulf saw the price rise 1 1/4 to \$66 1/2, still nearly \$14 short of the price offered by Standard Oil of California, reflecting some concern in the market over the reportedly cold reception for the bid in Washington.

On the American Stock Exchange, stock in Gulf Canada - which is likely to be sold off by Socal if the bid goes through - eased 5/8 to \$14 after its recent rise.

Other oil stocks traded quietly. Exxon gained 5/8 to \$39 1/4 while Houston Natural Gas slid a further 5/8 to \$47 1/4. Another major bid hope was snuffed out when St Regis, the paper group, dis-

closed that it was buying out for \$52 a share the stake recently acquired by Sir James Goldsmith's group of investors. With further stock purchases ruled out under the repurchase agreement, St Regis dipped 3/4 to \$37 after a delayed trading start.

One of the best sectors was the airlines, which continued to benefit from the expectation of flat oil prices and increased passenger traffic. AMR (American Airlines) put on 1 1/2 to \$34, Delta \$1 to \$35 1/2 and Northwest Air 5/4 to \$37 1/4.

The credit market brightened a little at mid-session after Mr John Meldson - market strategist at brokers Dean Witter Reynolds, took a bullish view of both stock and bond markets. The long end of the bond market strengthened, with the key 2013 Treasury issue recovering to 97 1/2, showing a net gain of 7/8 and a yield of 12.28 per cent.

The response at the shorter end was more hesitant and Treasury bill rates were little changed on the session at 9.35 per cent for the three-month and 9.50 per cent for the six-month bill. Turnover in the credit markets remained thin but there were some indications that negative factors have been slightly overstressed in recent sessions.

WEST GERMANY Timing may be right for risky plunge

ALBRECHT Count Matuschka could well take as his motto "Risk capital - the true road to security." A few months ago he helped found West German's biggest venture capital fund to date. Ask him why he took the plunge in a country more famed for plodding, albeit effectively, down well-tried industrial paths than for risk taking, and he gives a passionate reply, writes Jonathan Carr in Frankfurt.

He believes that the business climate is changing, that there is a growing readiness by younger people with a scientific background and good new ideas to cut loose from the system and "go independent." But the young potential entrepreneurs usually lack enough funds and knowhow to set themselves up in business or, having done that, to expand to make the best use of their skills.

They might be able to borrow from the banks but they would not get equity participation from them, nor skilled advice on matters like product sales and marketing strategy.

Yet these new businesses, operating in fields like communications technology, electronics components and, automation, could well be the future industrial high-fliers if given a chance. This is where Count Matuschka and the newly-created Techno Venture Management (TVM) company comes in.

"It is far less risky to put your money into growing sectors," he stresses, "than to go on ploughing it into the old, established but declining industries."

One major plus point for TVM is that it has attracted Siemens, West Germany's leading electrical concern, as a minority shareholder. Siemens is putting up funds for the first TVM investment pool, capitalised at DM 130m and will help with technical advice, market evaluation and so on.

TVM is also attracting other major West German companies in non-electrical fields to act as investors and advisers, so that a broad range of experience as well as finance will be available to the new businesses.

One question mark over the enterprise is whether a giant like Siemens may scare off potential applicants to TVM, who fear they may be dominated and their ideas stolen. Part of the answer is that Siemens has only a 25 per cent stake, sharing ownership with the Matuschka Group which has a decade of international venture capital experience.

A further 25 per cent stake is held by T.A. Associated of Boston, one of the larger U.S. venture capital management groups. A London company, Advent, has 5 per cent. The managing director of Advent, Mr David Cooksey, has been influential in the development of small business legislation in the UK.

Only time will tell how this arrangement works in practice. Siemens may have decided to join in partly because it has a lot of surplus funds available for investment and partly because efforts to set up a venture capital outfit on its own might run foul of the cartel authorities.

A bigger question mark is whether Count Matuschka is really correct about the changing mood. There is a lot of talk about an emerging technological gap between West Germany and Japan in particular; there is also the sad recognition that even with the expected 2.5 per cent real economic growth this year, the unemployment level will still average more than 8m.

But are there really so many potential entrepreneurs trying to burst into high-growth technology sectors themselves rather than, for example, entering there? TVM is far from the first risk capital enterprise to emerge in West Germany and past experience has not been very encouraging. Plenty of capital but too few good schemes to invest in it has been one common complaint.

That said, there are several signs that TVM has come on the scene at a good moment. There are changes at federal and provincial government level, and on the stock market, which promise a more buoyant atmosphere for risk capitalists in future.

The centre-right Government came to power about 18 months ago, pledging to help boost company profits, cut red tape and encourage those wanting to set up their own businesses. It has gone quite a way to keeping its word.

Cuts in taxes on wealth, earnings and trade will bring industry a lower tax burden of around DM 4bn annually. Bonn is also putting large chunks of federal holdings into private hands, starting with the huge energy concern Vebsa and probably continuing with Lufthansa, the airline.

Bonn is boosting the funds available for research and technology, for example, through the DM 3bn programme for micro-electronics and information technology due to come before the cabinet tomorrow. These efforts are being flanked by what almost looks like a competition among the provincial states to establish "Silicon Valleys."

Baden-Württemberg in the south seems in the lead so far, with its recent decisions to establish research institutes

for micro-electronics, data processing and molecular biology, and its own programmes to encourage small businesses.

But neighbouring Bavaria is not far behind. It has made efforts to promote high technology, and fast-growth industrial sectors have emerged in the Munich-Augsburg area to the south and around Nuremberg and Erlangen to the north.

Even if a new venture capital enterprise flourishes in this environment, it may still face a big disadvantage if it wants to go public after five or 10 years of strong growth.

Many believe the West German stock market is tiny compared with its U.S. or British counterparts, with high entrance fees to put off all but the most persistent. After being pronounced to be in a state close to "rigor mortis" last year things started to change.

West German stock prices surged by an average of nearly 40 per cent and there were 12 new entrants to the bourse. True, all world stock markets were enjoying a boom and few of the newcomers were really big enough to satisfy hungry investors. But the new year began with the decision of Nixdorf, the computer company, to come to the stock market at last and there are many more candidates waiting in the wings.

That activity could just be the result of the economic upturn and, not least, of share purchasing by foreigners expecting a D-Mark revaluation before long. But the upswing has been accompanied by a long and complex debate about how the structure of the stock market could itself be changed to encourage more entrants.

The market at present has three parts, the officially listed stocks, the over-the-counter market (so-called *geragelte Freiverkehr*) and the largely uncontrolled free market (*Telefonverkehr*).

The most likely solution to the debate is that over-the-counter trading will be extended to form a parallel market attracting more small and medium-sized companies. Such a market might be introduced next year - and thus be available when Count Matuschka's first successful candidates spread their wings.

Little movement was seen in very thin Stockholm trading. However, Ericsson shed SKr 5 to SKr 348, despite last week's announcement of improved 1983 profits. Electrolux held steady at SKr 287 as the home appliance maker announced it was closing its unprofitable Italian operations but at the same time was discussing a possible involvement in Italy's Industrie Zanussi.

Shares were slightly lower in Milan amid concern over relations between the trade unions and the Government over plans to reduce the indexed wage escalator.



EUROPE Frankfurt slide sets in afresh

THE SLIDE in share values which slowed in Frankfurt on Friday, resumed again as the market opened for the week yesterday and the Commerzbank index dipped below the psychologically important 1,000 level for the first time in more than four months.

The measure, calculated at mid-session, fell 12.3 to 988.8 - its lowest since November 7 and 97.7 below the high achieved on February 2.

Activity in a generally thin market was dominated by professional traders who sought to reduce portfolios after absorbing much of last week's selling pressure.

Against the background of token strikes by trade unions, in support of their claim for a shorter working week, foreign investors joined in with sales of their own.

The soured investment mood continued to be attributed to Wall Street's uncertainty, the dollar's renewed advance and the outlook for U.S. interest rates.

Motor manufacturers were again among the hardest hit with Daimler down DM 4.80 to DM 553.20, after a low of DM 551.50. BMW fell DM 5.50 to DM 395.50 and VW DM 2 to DM 204.

Tyremaker Conti Gummi, which signed a co-operation agreement for the exchange of information with Toyota - majority owned by Toyota and Japan's largest spare parts supplier - held its decline to DM 220 at DM 130.

Electricals were easier, with Siemens off DM 1.50 to DM 394, after a low of DM 391.50, and AEG shed DM 2 to DM 99.30 following confirmation that Thomson of France was taking full control of its former subsidiary, Telefunken.

The lack of trading interest seen in Amsterdam last week carried over to yesterday despite the end of the early spring holiday.

Also proved a feature, however, with its sharp rise in 1983 profits and more than doubled dividend. The shares lost Fl 8.80 to Fl 100.20 as it also announced a one-for-€10 rights issue.

Brewer Heineken shed Fl 8.50 to Fl 124.50 after the 29.5 per cent advance in 1983 profits, announced on Friday, proved to be below market expectations.

Bonds were stable in slow trading. Paris was easier with foods, constructions and rubbers leading the slide.

Club Méditerranée added FFr 7 to FFr 818 following its announcement of improved consolidated profits and turnover for the year to October.

Meanwhile, the interest rate on 18-month Treasury bills was set at 11 1/4 per cent at the Bank of France's tender for FFr 1.705bn worth, compared with 12 1/4 per cent on December 12.

Shares were mixed in Brussels as the market awaited details of government measures to reduce the budget deficit through an austerity drive.

However, market leader Petrofina added BFr 40 to BFr 7,130 while among financial holding companies, Groupe Bruxelles Lambert rose BFr 30 to BFr 2,435, Société Générale de Belgique slipped BFr 10 to BFr 1,750 and Sofina was unchanged at BFr 3,730.

Banks were sharply lower in Zurich, with the decline attributed by some to a socialist party proposal to ease banking secrecy laws. Union Bank fell Sfr 65 to Sfr 7,425 while Credit Suisse and Swiss Volksbank each shed Sfr 20 to Sfr 2,280 and Sfr 1,450 respectively.

Bank Leu fell Sfr 140 to Sfr 2,550, ex its Sfr 80 dividend.

Swiss bonds were mixed to lower with dual currency bonds depressed by the high dollar.

Little movement was seen in very thin Stockholm trading. However, Ericsson shed SKr 5 to SKr 348, despite last week's announcement of improved 1983 profits.

Electrolux held steady at SKr 287 as the home appliance maker announced it was closing its unprofitable Italian operations but at the same time was discussing a possible involvement in Italy's Industrie Zanussi.

Shares were slightly lower in Milan amid concern over relations between the trade unions and the Government over plans to reduce the indexed wage escalator.

TOKYO Buying of banks leads revival

REVIVED buying of bank stocks sent Tokyo's Nikkei-Dow market average above the 10,000 level yesterday for the first time in three sessions as last week's correction mood faded away, writes Shigeo Nishiwaki of Jiji Press.

Stocks of companies expected to earn higher profits were also bought selectively.

The Nikkei-Dow climbed sharply by 89.32 points to 10,088.54. Set against the strong price advance, however, trading volume was slow at 272.63m shares compared with last Friday's 269.06m.

Foreign buying of shares in each of the high-ranking city banks averaged about 1m shares, and domestic private investors followed suit.

Sumitomo Bank added Y71 to Y1,020 to become the first to top the Y1,000 mark among bank issues with a face value of Y50. Fuji Bank put on Y71 to Y94 and Mitsubishi Bank Y76 to Y930. Many bank issues touched all-time highs.

Trust bank issues were sought in sympathy, with Sumitomo Trust and Banking gaining Y80 to Y400 and Yasuda Trust and Banking Y30 to Y370.

Active buying of shares in non-life insurance and securities companies was also in evidence. Tokio Marine and Fire Insurance gained Y16 to Y548 and Sumitomo Marine and Fire Y25 to Y323. Nomura Securities firmed Y49 to Y760 and Daiwa Securities Y27 to Y504.

KEY MARKET MONITORS

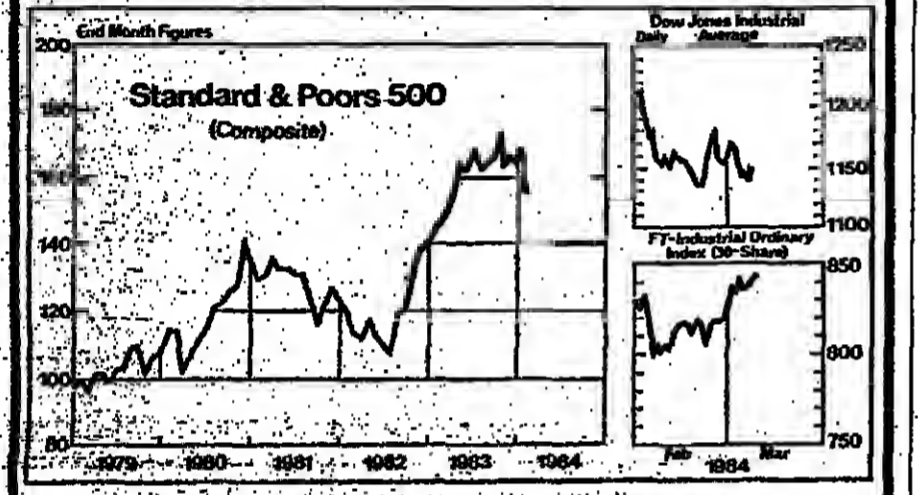


Table with columns: NEW YORK, DJ Industrials, DJ Transport, DJ Utilities, S&P Composite, LONDON, FT Ind Ord, FT-A All-share, FT-A 500, FT-A Ind, FT Gold minis, FT-A Long gilt, TOKYO, Nikkei-Dow, Tokyo SE, AUSTRALIA, All Ord, Metals & Minis, AUSTRIA, Credit Aktien, BELGIUM, Belgian SE, CANADA, Toronto Composite, Montreal Industrials Combined, DENMARK, Copenhagen SE, FRANCE, CAC Gen, Ind. Tendence, WEST GERMANY, FAZ-Aktien, Commerzbank, HONG KONG, Hang Seng, ITALY, Banca Comm., NETHERLANDS, ANP-CBS Gen, ANP-CBS Ind, NORWAY, Oslo SE, SINGAPORE, Straits Times, SOUTH AFRICA, Golds, Industrials, SPAIN, Madrid SE, SWEDEN, J & P, SWITZERLAND, Swiss Bank Ind., WORLD, Capital Int'l.

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

Table with columns: U.S. DOLLAR, U.S. 100-share index, U.S. 3-month T-bills, U.S. 3-month Cds, U.S. 3-month T-bills, U.S. BONDS, Treasury, Corporate, AT & T, Xerox, Diamond Shamrock, 10% May 1993, Federated Dept Stores, Abbot Lab, 11.80 Feb 2013, Alcoa, 12% Dec 2012, CHICAGO, U.S. Treasury Bonds (CBT), 8% 32nds of 100%, March, U.S. Treasury Bills (TMM), \$1m points of 100%, March, \$1m points of 100%, March, Certificates of Deposit (CDM), \$1m points of 100%, March, LONDON, Three-month Eurodollar, March, 20-year National Gilt, \$50,000 32nds of 100%, March, COMMODITIES, (London), Silver (spot fixing), Copper (cash), Coffee (March), Oil (spot Arabian light).

NEEDED NOW... WOMEN'S CLOTHING RETAILERS... London, Home Counties...

day March 13 1984... AND... and... SALE... ACTING COMM... SALE... PRESTRESS... PRODUCTS BUSINESS... BURE BENNETT... PANAMA HOUR... WANTED... INTERESTED... HIRING... LEASING... FOLIOS... POSIT TAKING... FUTURE... WOMEN'S CLOTHING RETAILERS...

WORLD STOCK MARKETS

Table containing various international stock market data including Canada, Denmark, Netherlands, Australia, Japan, and Over-the-Counter Nasdaq National Market closing prices.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table listing American stock exchange closing prices for various sectors and individual stocks.

NEW YORK CLOSING PRICES

Table listing New York closing prices for various stocks and indices.

INDICES

Table showing various financial indices and their performance over time.

WORLD ECONOMIC INDICATORS

every Monday in the Financial Times

LONDON STOCK EXCHANGE

Cheaper money optimism pushes equities to records
Gilt-edged stocks also higher

Account Dealing Index

First Declares Last Account Dealing Day
Budget Dealings Day
Feb 27 Mar 5 Mar 12 Mar 19 Mar 26 Apr 2 Apr 9 Apr 16

Revised optimism over cheaper UK money took London equities to new all-time peaks yesterday. A fresh advance in gilt-edged securities was also encouraged by speculation that the authorities could cut money market dealing rates by another 1/2 per cent...

Financial commentators' views of likely Budget measures... The FT Industrial Ordinary share index up 3.2 at a record 844.1. This was achieved despite continuing weakness in commodity stocks...

Life insurance rose. Life insurance moved higher with investors buying more money market funds... Life insurance moved higher with investors buying more money market funds...

Life insurance rose. Life insurance moved higher with investors buying more money market funds... Life insurance moved higher with investors buying more money market funds...

however, finished 3 cheaper at 445; the preliminary results are scheduled for March 21. A rising market last week on rumours of a U.S. bid, Hagg Robinson improved ahead to close 5 up on balance at 189 on the late announcement that Mills and Allen owns a near-10 per cent stake in the Lloyds Broker, Elsewhere, Hagg reflected bid hopes with a gain of 4 to 146; but C. E. Heath eased 3 to 325p.

With the dividend season now out of the way, the major clearing banks marked time awaiting today's Budget proposals. News of the group's planned links with stockjobbing concern, Wedd Durlacher Morant, and stockbrokers de Zoete and Bevan, made little impression on Barclays, which closed a fraction dearer at 560p 4/8. Among other banks, First National Bank rose 1/2 to 250p 1/2, while the FT Industrial Ordinary share index up 3.2 at a record 844.1.

Financial commentators' views of likely Budget measures... The FT Industrial Ordinary share index up 3.2 at a record 844.1. This was achieved despite continuing weakness in commodity stocks...

Life insurance rose. Life insurance moved higher with investors buying more money market funds... Life insurance moved higher with investors buying more money market funds...

Life insurance rose. Life insurance moved higher with investors buying more money market funds... Life insurance moved higher with investors buying more money market funds...

FINANCIAL TIMES STOCK INDICES

Table with columns for Stock Index, March 12, March 9, March 6, March 3, March 1, and Year Ago. Includes Government Secs, Industrial Ord., Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns for Stock Index, High, Low, S.E. Activity. Includes Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

of 485p and Associated Dairies... A subsidiary, A. Caird took a further turn for the worse on adverse comment...

Leading Electricals passed a rather lacklustre trading session. Secondary issues, however, showed a fair amount of attention and recorded a number of particularly good features...

Apart from the setback in TI, leading Engineers passed a relatively quiet session. Elsewhere, Brockhouse closed a penny higher at 42p following the bid from Evered; the latter, which also announced a 25p rights issue, closed 4 off at 110p...

Rawley Group remained overshadowed by last week's rights announcement and eased 2 couple of pence more to 84p. Adam Leisure, a dull market since the chairman's profits warning met with reserved support and rose 10 to 50p.

Unsettled last week by a large loss of shares overhanging the market, Fleet Holdings revived yesterday with a gain of 4 to 70p. Elsewhere, N. Sharpe gained 5 1/2 to 155p 1/2 awaiting further developments in the bid situation following the Board's strong rejection of Octopus Publishing's tentative takeover bid...

of 485p and Associated Dairies... A subsidiary, A. Caird took a further turn for the worse on adverse comment...

Leading Electricals passed a rather lacklustre trading session. Secondary issues, however, showed a fair amount of attention and recorded a number of particularly good features...

Apart from the setback in TI, leading Engineers passed a relatively quiet session. Elsewhere, Brockhouse closed a penny higher at 42p following the bid from Evered; the latter, which also announced a 25p rights issue, closed 4 off at 110p...

1983-84 peaks to show falls of around 9 pence, although Vial Reefs were particularly dull, down 11 at 194, while President Brand gave up 11 at 231. Doornfontein, 218, Libanus, 251, and St. Helena, 271, all shed around 1, while Harmony, which disappointed with its recent interim dividend, shed 3 at 216; the company is closing the Merriespruit uranium plant which currently accounts for 28 per cent of Harmony's uranium output.

Similarly subdued conditions prevailed among Financials. Charter hardened a couple of pence to 337p, but Consolidated Gold Fields fell to 800p before settling 10 1/2 lower on balance at 560p 1/2. Hampton Arms firmed 5 to 235p. Among South Africans, De Beers traded quietly to front of today's preliminary results, ending a couple of pence cheaper at 614p.

FT - SE 100 INDEX
Close 1063.5 (+2.5)
Day's high 1062.2 (+2.0 pm)
Day's low 1065.8 (+3.5 am)

Harmony closes a uranium plant

BECAUSE OF the depressed state of the uranium market the Barlow Rand group's Harmony plant in the Orange Free State in South Africa is to cease production at its Merriespruit uranium plant which provides 28 per cent of the mine's output of the nuclear fuel...

City and Foreign

Net asset value of City and Foreign Investments Trust rose from 111.66p to 145.75p per share for 1983.

ACTIVE STOCKS

Table of Active Stocks with columns for Stock, Change, and Price. Includes Anglo Resources, Anglo American, Anglo Coal, etc.

EQUITIES

Table of Equities with columns for Stock, High, Low, and Price. Includes Anglo Resources, Anglo American, Anglo Coal, etc.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Stock, High, Low, and Price. Includes Anglo Resources, Anglo American, Anglo Coal, etc.

"RIGHTS" OFFERS

Table of Rights Offers with columns for Stock, High, Low, and Price. Includes Anglo Resources, Anglo American, Anglo Coal, etc.

NEW HIGHS AND LOWS FOR 1983/4

Table of New Highs and Lows for 1983/4 with columns for Stock, High, Low, and Price. Includes Anglo Resources, Anglo American, Anglo Coal, etc.

FRIDAY'S ACTIVE STOCKS

Table of Friday's Active Stocks with columns for Stock, High, Low, and Price. Includes Anglo Resources, Anglo American, Anglo Coal, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Equity Groups, Mon March 12 1984, and Year Ago. Includes 1. SAVING GROUPS, 2. RETIREMENT GROUPS, etc.

FIXED INTEREST

Table of Fixed Interest with columns for Price, Mon March 12, and Year Ago. Includes 1. 5 years, 2. 10 years, 3. 15 years, etc.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for Option, Vol., and Price. Includes GOLD C, SILVER C, AMRO C, etc.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Option, Calls, and Puts. Includes LASSMO, LORRHO, P. & O., etc.

FT LONDON SHARE INFORMATION SERVICE



BRITISH FUNDS

"Shorfs" (Lives up to Five Years)

1993-94	1992-93	1991-92	1990-91	1989-90
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

Five to Fifteen Years

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

Over Fifteen Years

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

Undated

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

Index-Linked

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

CORPORATION LOANS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

COMMONWEALTH AND AFRICAN LOANS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

LOANS Building Societies

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

Public Board and Ind.

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

Financial

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

FOREIGN BONDS & RAILS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

AMERICANS

1993-94	1992-93	1991-92	1990-91	1989-90
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

BUILDING INDUSTRY, TIMBER AND ROADS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

DRAPERY—Continued

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

ENGINEERING—Continued

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

HOTELS—Continued

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

INDUSTRIALS (Miscel.)

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

CANADIANS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

BANKS, H.P. AND LEASING

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

CHEMICALS, PLASTICS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

DRAPERY AND STORES

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

ELECTRICALS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

FOOD, GROCERIES, ETC.

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

HIRE PURCHASE, LEASING, etc.

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

BEERS, WINES AND SPIRITS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

ENGINEERING

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

HOTELS AND CATERERS

1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000
1000	1000	1000	1000	1000

Handwritten signature or mark

RIALS (Miscellaneous)
Continued
Various small text fragments and notices on the far left margin.

INDUSTRIALS—Continued

Table of Industrial stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and percentage change.

LEISURE—Continued

Table of Leisure stocks including companies like Leisure, Leisure, Leisure, etc. with columns for stock price, high, low, and percentage change.

PROPERTY—Continued

Table of Property stocks including companies like Property, Property, Property, etc. with columns for stock price, high, low, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of Investment Trusts including companies like Investment Trusts, Investment Trusts, Investment Trusts, etc. with columns for stock price, high, low, and percentage change.

OIL AND GAS—Continued

Table of Oil and Gas stocks including companies like Oil and Gas, Oil and Gas, Oil and Gas, etc. with columns for stock price, high, low, and percentage change.

NOMURA INTERNATIONAL LIMITED
NEW-ERA INVESTMENT AND UNDERWRITING
OFFICES WORLDWIDE
3 Gracechurch Street EC3N 3AD
Telephone (01) 285 8811

MINES—continued

Table of Mines stocks including companies like Mines, Mines, Mines, etc. with columns for stock price, high, low, and percentage change.

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

PAPER, PRINTING, ADVERTISING

TOBACCO

TRUSTS, FINANCE, LAND

PROPERTY

INSURANCE

LEISURE

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

PROPERTY

OIL AND GAS

OIL AND GAS

OIL AND GAS

OIL AND GAS

OIL AND GAS

OIL AND GAS

OIL AND GAS

OIL AND GAS

DIAMOND AND PLATINUM

DIAMOND AND PLATINUM

DIAMOND AND PLATINUM

DIAMOND AND PLATINUM

DIAMOND AND PLATINUM

DIAMOND AND PLATINUM

DIAMOND AND PLATINUM

DIAMOND AND PLATINUM

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

REGIONAL AND IRISH STOCKS

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. Co., Alliance Growth, and others, with columns for name, manager, and performance metrics.

Table listing unit trusts under the heading 'British and Foreign Unit Trusts Ltd (a) (b)', including various equity and income funds.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts categorized by type (Equity, Income, Bond, etc.) and listing details like name, manager, and performance.

Table listing insurance companies and their products, including various life and general insurance policies.

INSURANCES—Continued

Table listing insurance companies like Albany Life Assurance Co Ltd, Carfax Life, and others, with details on their services.

Table listing insurance companies such as Swiss Life, Zurich, and others, providing contact and service information.

Table listing insurance companies including Swiss Life, Zurich, and others, with details on their products.

Table listing insurance companies like Swiss Life, Zurich, and others, with details on their services.

Table listing insurance companies including Swiss Life, Zurich, and others, with details on their products.

Table listing insurance companies like Swiss Life, Zurich, and others, with details on their services.

Table listing insurance companies including Swiss Life, Zurich, and others, with details on their products.

Table listing insurance companies like Swiss Life, Zurich, and others, with details on their services.

Table listing insurance companies including Swiss Life, Zurich, and others, with details on their products.

Table listing insurance companies like Swiss Life, Zurich, and others, with details on their services.

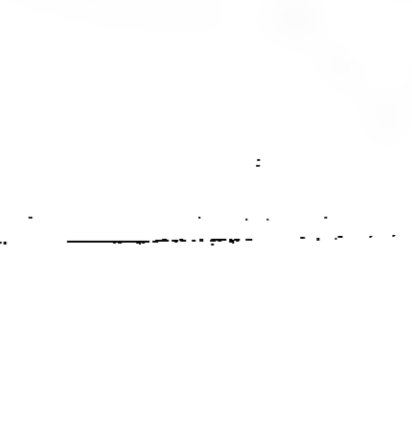
Table listing insurance companies including Swiss Life, Zurich, and others, with details on their products.

Table listing insurance companies like Swiss Life, Zurich, and others, with details on their services.

Table listing insurance companies including Swiss Life, Zurich, and others, with details on their products.

F.T. CROSSWORD PUZZLE No. 5,365

ACROSS
1 American composer could be cutting (6)
4 Man on board makes mistake at work (6)
7 Has converted very French sounding receptacle for 10 (3-4)
9 No-one has time to come back for paper (7)
11 Mark goes to Louisiana with girl and gets fever (10)
12 I remember creator's beard (4)
13 It was said to be very musical in here (6)
14 Surprisingly, Latvian carries English flag for helmet (8)
16 Like seeing drunken recipient (8)
18 Engineer is returning north to get compound (5)
20 Finish about one to meet wife of Gerald (4)
21 Guitar playing may cause a bold-up (6-4)
23 Edward receives the strap (7)
24 Young creature always allowed outside (7)
25 Number of coins made at one time come by chance (9)
26 Seeing tension, ordered rest on board (6)



Solution to Puzzle No. 5,364

ACROSS
1 American composer could be cutting (6)
4 Man on board makes mistake at work (6)
7 Has converted very French sounding receptacle for 10 (3-4)
9 No-one has time to come back for paper (7)
11 Mark goes to Louisiana with girl and gets fever (10)
12 I remember creator's beard (4)
13 It was said to be very musical in here (6)
14 Surprisingly, Latvian carries English flag for helmet (8)
16 Like seeing drunken recipient (8)
18 Engineer is returning north to get compound (5)
20 Finish about one to meet wife of Gerald (4)
21 Guitar playing may cause a bold-up (6-4)
23 Edward receives the strap (7)
24 Young creature always allowed outside (7)
25 Number of coins made at one time come by chance (9)
26 Seeing tension, ordered rest on board (6)

Offshore & Overseas—continued

Table listing offshore and overseas financial services, including investment and insurance options.

Money Market Trust Funds

Table listing money market trust funds and their performance metrics.

Money Market Bank Accounts

Table listing money market bank accounts and their interest rates.

Money Market Bank Accounts

Table listing money market bank accounts and their interest rates.

Handwritten signature or note at the bottom of the page.

INSURANCE & OVERSEAS MANAGED FUNDS

Table of insurance and managed funds, including columns for company name, address, and contact information. Includes sections for 'SOURCES' and 'Money Market'.

Table of insurance and managed funds, including columns for company name, address, and contact information.

Table of insurance and managed funds, including columns for company name, address, and contact information.

Table of insurance and managed funds, including columns for company name, address, and contact information.

OFFSHORE AND OVERSEAS

Table of offshore and overseas managed funds, including columns for company name, address, and contact information.

NOTES: Prices are in pence per share unless indicated... Prices in March 1984... Prices in March 1984...

COMMODITIES AND AGRICULTURE

Further fall in copper stocks boosts market

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES rose in active trading conditions in the London Metal Exchange yesterday following another sharp fall in stocks. The higher grade three months quotation closed £7.57 at £1,028.25 a tonne.

Holdings of copper in the LME warehouses dropped by 2,725 tonnes to a total of 354,200 tonnes. The stocks have now fallen for five successive weeks and chairman's figures below the five year peak of 435,975 tonnes reached in mid January.

There is believed to be improved demand for copper in Europe, and at the same time some of the supplies normally shipped to the LME warehouses is being diverted to cover Japanese requirements.

Stocks held in the New York copper market (Comex) warehouses have shown little change in recent weeks remaining over 400,000 short tons. However, U.S. domestic producer prices for copper have been moving upwards. Copper Range raised

Legal documents clearing the way for the building of head-quarters and laboratories for the International Tin Research Institute were formally handed over yesterday at the Brunel University Science Park, Uxbridge.

Mr Adeboye Ojo, Nigerian chairman of the International Tin Research Council, said the decision to acquire the 11-acre site on the edge of the Brunel campus reflected the determination by producing countries to continue promoting research and development for tin. The Research Council was formed in 1982.

Its base selling price by 2 cents to 72 cents a pound, effective immediately last night.

A hefty fall in stocks last week also boosted lead. Warehouse holdings of lead declined by 9,350 to 150,325 tonnes, were at an all-time peak of

218,075 tonnes in October last year. Zinc values, however, failed to respond to a stocks fall of 4,000 reducing total warehouse holdings to a lowly 68,850 tonnes. The three months quotation after reaching £699 in early dealings was hit by heavy profit-taking sales and closed at £689.5 a tonne, £5.25 lower than Friday.

Surprisingly, in view of the stocks decline, cash zinc lost £11.5 to £716. The world's biggest zinc producer, confirmed it was increasing its U.S. selling price by 2 cents to 53 cents a lb — a similar rise to that announced by St Joe Resources last week. It also followed St Joe's example in raising its U.S. lead selling price by 1 cent to 25 cents a lb. Aluminium stocks in the LME warehouses dipped by 3,375 to 203,275 tonnes. Non-Communist world stocks of primary aluminium, however, rose slightly in January to

some traders fear that the KLCE will introduce emergency regulations under the Commodities Trading Act allowing it to suspend or limit trading, directing any open contracts to be settled at prices determined by the KLCE.

To try to curb excessive speculation and to prevent further disputes from arising, the Clearing House is insisting on prompt payments of deposits and the introduction of a daily checklist on the previous day's trade. Contracts will only be registered after confirmation of this checklist by both buyers and sellers.

Compromise on palm oil futures agreed

BY OUR COMMODITIES EDITOR

THE KUALA LUMPUR Commodities Clearing House (KLCH) has agreed to register a sale of 761 lots of palm oil futures which it refused to accept two weeks ago.

The decision came after talks over the weekend with Mr Paul Leong, Malaysian Minister of Primary Industries, and Tun Ibrahim Sultan, Minister of the Commodities Trading Council.

It was the refusal of the KLCH to register contracts of 25 tonnes each, worth an estimated \$US10m, that sparked off a crisis of confidence in the market and sent turnover plunging to the lowest levels for many

months, as traders bled off from dealing. The Clearing House refusal to register the contracts, due to a dispute as to whether the sale had been authorised, was sharply criticised by traders. The Palm Oil Refiners Association accused the Clearing House of running away from the unpleasant duty of enforcing the deals.

A considerable degree of uncertainty remains on the trading day, traders reported yesterday.

There is continued nervousness about what action the management of the Kuala Lumpur Commodities Exchange (KLCE), or the KLCH, will

UK farmers accused of hoarding potatoes

Financial Times Reporter

UK FARMERS have been accused of hoarding potatoes in the hope that the price will rise. McCain Foods put 400 workers on short-time yesterday as its frozen chip factory at Whittlesey, Cambridgeshire, because, it said, it could not get sufficient potatoes at the right price to maintain full production.

The company is believed to be paying £160 a tonne at the moment, but prices are expected to reach £200 a tonne. "It is not profitable for us to pay more than £160 a tonne, so we are sticking to a four-day week," the company said. Mr John Hoyle, chairman of the National Farmers' Union's potato committee, said: "If farmers are hoarding and if they think the price will rise, then they will keep stocks back."

WORLD SUGAR prices rallied sharply following the recent decline in the London daily raws price was fixed at £14.50 a tonne.

U.S. coffee roasters in the week ended March 5 totalled about 300,000 bags (60 kilos each), compared with 290,000 bags in the same week last year.

JAPANESE WOOL purchases rose to 159,922 bales of 160 kilos in February, up from 136.5 bales in January, a 15.1 per cent increase from February 1983.

TALKS aimed at negotiating a new International Cocoa Agreement started in London yesterday. The preparatory work, attended by leading cocoa exporting and importing countries, are aimed at preparing the way for a full negotiating conference planned to be held in Geneva from May 7 to 25. The current pact expires at the end of this year.

Questioning the quality of Britain's beef

BUTCHERS' claims that a decline in the quality of cattle produced in Britain over recent years has been partly responsible for a drop in beef sales are supported by the findings of a study by the UK Meat and Livestock Commission (MLC).

The MLC study confirmed that consumers were able to discern significant differences in quality between meat from animals produced primarily for the dairy industry and those produced specifically for beef.

Results of the Ministry of Agriculture's December farm census illustrated the continuing trend, encouraged by generous EEC support, towards dairy production and away from beef. The data based on up to 10 per cent from December 1982 at 3.4m head while the beef herd was down 2.4 per cent at 1.35m.

The beef trade has been concerned, however, over simply about the increasing domination of the dairy herd but also the greater concentration in the

Richard Mooney on evidence of a decline in cattle standards

Richard Mooney on evidence of a decline in cattle standards

dairy industry on 'cattle' with high milk yields but poor meat producing qualities. "The beef industry has always relied on the dairy industry, of which it is largely a by-product," said Mr Vincent Champion of the Meat Traders' Federation. "Now it seems to be little more than an afterthought."

The MLC study compared consumer reaction to meat from Aberdeen-Angus beef animals and Friesian/Holstein crossbreeds, which are becoming increasingly popular in the dairy industry.

Participants generally expressed a preference for the Aberdeen-Angus beef in terms of tenderness, juiciness and flavour and overall 67.5 per cent had a 'favourable' response compared with 58 per cent for the Friesian/Holstein beef.

The differences highlighted by our work do, we consider, large enough to be important in the market," said Mr Geoffrey Harrington, MLC's director of planning and development.

But one thing to emerge from our study is that beef wins a high degree of approval from consumers. This confirms the good quality ratings which British beef achieves in our Meat Promotion Executive's survey into consumer attitudes.

The butchers, however, were concerned that consumers should be aware of beef quality did not seem to be strong enough to support its high price relative to other meats.

Mr Harrington said it was up to producers and retailers to decide whether consumers' perception of beef quality was sufficient to justify the extra expense involved in tighter quality control to reduce variation in beef quality. He said in different categories of beef, consumers knew what they were buying.

India tightens controls on tea exports

By P. C. Mahanti in Calcutta

INDIA HAS tightened up controls on tea exports, so that the Government can prevent the export of tea to other countries.

Under new regulations, all export contracts entered into from March 8 have to be registered with the Indian Tea Board. They will have to be accompanied by valuation reports from one of a panel of brokers nominated by the board in Calcutta and Cochin.

The new system is believed to be aimed at preventing private exporters of tea "under invoicing" prices deliberately as a means of transferring profits outside the country.

Our Commodities Staff writes: Prices opened again a little changed at the London weekly tea auctions yesterday. Indicative quotations for quality and low medium quality teas were unchanged at 302p and 234p a kilo respectively.

N. Zealand meat workers threaten national strike

NEW ZEALAND'S powerful meat workers' union, whose members process all export lamb for Britain and other markets, has threatened a national strike from next Monday unless the Government agrees to a general wage increase for all workers.

New Zealand's price freeze ended on March 1 but the general wage freeze has continued. The Government and Federation of Labour have continued discussions on how wages will be negotiated at the end of the freeze.

In theory the freeze will end in April. However, that will mean unions will have the right to negotiate an unlimited wage increase. The Government has given the board until the end of March to sort out its final certification. Kuwait refuses to accept New Zealand's certification and turned back a 70-tonne shipment late last year.

Jamaica urges U.S. bauxite group to stay

By Caroline James in Kingston

THE JAMAICAN Government is urging the U.S. bauxite group to stay on the island.

The company announced last week that it was terminating its operations, which has a capacity of 2m tonnes a year.

Mr Hugh Bart, the Jamaican Mining Minister, said proposals had been made to the parent company for the continued operation of the mines.

The company's decision came when Jamaica, the world's third largest bauxite producer, was participating in an increase in output later this year.

PRICE CHANGES

Table with columns for commodity names, current prices, and changes from previous periods. Includes items like Tin, Zinc, and various oils.

BRITISH COMMODITY PRICES

Table listing prices for various commodities such as Copper, Tin, Zinc, and Lead, with columns for current prices and changes.

AMERICAN MARKETS

Table showing prices for commodities in the American market, including various metals and oils.

INDICES

Table of financial indices including the FTSE 100, DOW JONES, and various commodity indices.

NEW YORK

Table of commodity prices in New York, including metals and oils.

LONDON OIL

Table of oil prices in London, including various grades of oil and their prices.

GAS OIL FUTURES

Table of gas oil futures prices, showing current prices and changes.

CRUDE OIL FUTURES

Table of crude oil futures prices, including various grades and their prices.

MEAT/FISH

Table of meat and fish prices, including various types of meat and fish.

CHICAGO

Table of commodity prices in Chicago, including various metals and oils.

SPOT PRICES

Table of spot prices for various commodities, including metals and oils.

CRUDE OIL FUTURES

Table of crude oil futures prices, showing current prices and changes.

COFFEE

Table of coffee prices, including various grades and their prices.

SUGAR

Table of sugar prices, including various grades and their prices.

WHEAT

Table of wheat prices, including various grades and their prices.

GOLD MARKETS

Table of gold market prices, including gold bars and coins.

LONDON FUTURES

Table of London futures prices, including various commodities.

GRAINS

Table of grain prices, including wheat, corn, and other grains.

SUGAR

Table of sugar prices, including various grades and their prices.

WHEAT

Table of wheat prices, including various grades and their prices.

EUROPEAN MARKETS

Table of commodity prices in European markets, including various metals and oils.

ALUMINIUM

Table of aluminium prices, including various grades and their prices.

WHEAT

Table of wheat prices, including various grades and their prices.

WHEAT

Table of wheat prices, including various grades and their prices.

WHEAT

Table of wheat prices, including various grades and their prices.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

FINANCIAL FUTURES

Dollar and pound firm

The dollar showed a firmer trend on the foreign exchanges yesterday, rising above the chart sensitive point of DM 2.00, and remaining to hold on to its early gains, after a steady improvement in New York on Friday and the Far East earlier on Monday.

FFr 8.02 from FFr 7.9525 against the French franc; SwF 2.1590 from SwF 2.1335 against the Swiss franc; and Y225.10 from Y224.00 against the Japanese yen.

STERLING - Trading range against the dollar in 1983-84 is 1.6245 to 1.6355. February average 1.6469. Trade-weighted index 127.8 against 128.0 at the previous close, and 143 six months ago.

Quiet trading

Euro-dollar prices finished higher than Friday's levels but down from the day's highs in the London International Financial Futures Exchange market to relatively quiet trading. The June contract opened at 89.27, up from 89.24 and touched a high of 89.31 before finishing at 89.27.

Short sterling values opened slightly weaker but tended to improve ahead of today's UK Budget. The market remained hopeful that the Bank of England would reduce its money market intervention rates in order to encourage a cut in 84 per cent in clearing bank base rates.

Gift prices followed a similar pattern with the June price opening at 109.15 and improving to a best level of 109.27 before finishing at 109.26, up from Friday's close of 109.12.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Unit, % change from March 12, % change from previous close, % change from 12 months ago.

£ in New York latest

Table with columns: Date, Price, % change from previous close, % change from 12 months ago.

LONDON

Table with columns: Contract, Price, % change from previous close, % change from 12 months ago.

JAPANESE YEN Y225.00 per 100

Table with columns: Contract, Price, % change from previous close, % change from 12 months ago.

CHICAGO

Table with columns: Contract, Price, % change from previous close, % change from 12 months ago.

THE POUND SPOT AND FORWARD

Table with columns: Date, Price, % change from previous close, % change from 12 months ago.

THE DOLLAR SPOT AND FORWARD

Table with columns: Date, Price, % change from previous close, % change from 12 months ago.

CURRENCY MOVEMENTS

Table with columns: Currency, % change from previous close, % change from 12 months ago.

CURRENCY RATES

Table with columns: Currency, Rate, % change from previous close, % change from 12 months ago.

STERLING £25.00 per £

Table with columns: Contract, Price, % change from previous close, % change from 12 months ago.

DEUTSCHE MARK DM 125.00 per DM

Table with columns: Contract, Price, % change from previous close, % change from 12 months ago.

OTHER CURRENCIES

Table with columns: Currency, Rate, % change from previous close, % change from 12 months ago.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate, % change from previous close, % change from 12 months ago.

EURO-CURRENCY INTEREST RATES

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

MONEY MARKETS

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

LONDON MONEY RATES

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

FT LONDON

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

INTERBANK FIXING

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

MONEY RATES

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

NEW YORK (Lunchtime)

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

TREASURY BILLS

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

TREASURY BONDS

Table with columns: Term, Rate, % change from previous close, % change from 12 months ago.

COMPANY NOTICES

HARMONY GOLD MINING COMPANY LIMITED. In view of the continuing depressed state of the uranium market, it has been decided to cease production at the Harcourt plant.

JON THE CRUSADE AGAINST CHEST, HEART & STROKE ILLNESSES. Most of us have someone in the family suffering from Asthma, Chronic Bronchitis, Emphysema, Angina, Coronary Thrombosis or Stroke.

CLUBS. EVE has notified the others because of a policy of non-interference with the music.

ART GALLERIES. GALLERY '84, 15 Old Bond St, W1P 3LP. 1777, 1778, 1779, 1780, 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1789, 1790, 1791, 1792, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, 2712, 2713, 2714, 2715, 2716, 2717, 2718, 2719, 2720, 2721, 2722, 2723, 2724, 2725, 2726, 2727, 2728, 2729, 2730, 2731, 2732, 2733, 2734, 2735, 2736, 2737, 2738, 2739, 2740, 2741, 2742, 2743, 2744, 2745, 2746, 2747, 2748, 2749, 2750, 2751, 2752, 2753, 2754, 2755, 2756, 2757, 2758, 2759, 2760, 2761, 2762, 2763, 2764, 2765, 2766, 2767, 2768, 2769, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, 2788, 2789, 2790, 2791, 2792, 2793, 2794, 2795, 2796, 2797, 2798, 2799, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2808, 2809, 2810, 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2834, 2835, 2836, 2837, 2838, 2839, 2840, 2841, 2842, 2843, 2844, 2845, 2846, 2847, 2848, 2849, 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2860, 2861, 2862, 2863, 2864, 2865, 2866, 2867, 2868, 2869, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2877, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2887, 2888, 2889, 2890, 2891, 2892, 2893, 2894, 2895, 2896, 2897, 2898, 2899, 2900, 2901, 2902, 2903, 2904, 2905, 2906, 2907, 2908, 2909, 2910, 2911, 2912, 2913, 2914, 2915, 2916, 2917, 2918, 2919, 2920, 2921, 2922, 2923, 2924, 2925, 2926, 2927, 2928, 2929, 2930, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2940, 2941, 2942, 2943, 2944, 2945, 2946, 2947, 2948, 2949, 2950, 2951, 2952, 2953, 2954, 2955, 2956, 2957, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2965, 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, 2979, 2980, 2981, 2982, 2983, 2984, 2985, 2986, 2987, 2988, 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3041, 3042, 3043, 3044, 3045, 3046, 3047, 3048, 3049, 3050, 3051, 3052, 3053, 3054, 3055, 3056, 3057, 3058, 3059, 3060, 3061, 3062, 3063, 3064, 3065, 3066, 3067, 3068, 3069, 3070, 3071, 3072, 3073, 3074, 3075, 3076, 3077, 3078, 3079, 3080, 3081, 3082, 3083, 3084, 3085, 3086, 3087, 3088, 3089, 3090, 3091, 3092, 3093, 3094, 3095, 3096, 3097, 3098, 3099, 3100, 3101, 3102, 3103, 3104, 3105, 3106, 3107, 3108, 3109, 3110, 3111, 3112, 3113, 3114, 3115, 3116, 3117, 3118, 3119, 3120, 3121, 3122, 3123, 3124, 3125, 3126, 3127, 3128, 3129, 3130, 3131, 3132, 3133, 3134, 3135, 3136, 3137, 3138, 3139, 3140, 3141, 3142, 3143, 3144, 3145, 3146, 3147, 3148, 3149, 3150, 3151, 3152, 3153, 3154, 3155, 3156, 3157, 3158, 3159, 3160, 3161, 3162, 3163, 3164, 3165, 3166, 3167, 3168, 3169, 3170, 3171, 3172, 3173, 3174, 3175, 3176, 3177, 3178, 3179, 3180, 3181, 3182, 3183, 3184, 3185, 3186, 3187, 3188, 3189, 3190, 3191, 3192, 3193, 3194, 3195, 3196, 3197, 3198, 3199, 3200, 3201, 3202, 3203, 3204, 3205, 3206, 3207, 3208, 3209, 3210, 3211, 3212, 3213, 3214, 3215, 3216, 3217, 3218, 3219, 3220, 3221, 3222, 3223, 3224, 3225, 3226, 3227, 3228, 3229, 3230, 3231, 3232, 3233, 3234, 3235, 3236, 3237, 3238, 3239, 3240, 3241, 3242, 3243, 3244, 3245, 3246, 3247, 3248, 3249, 3250, 3251, 3252, 3253, 3254, 3255, 3256, 3257, 3258, 3259, 3260, 3261, 3262, 3263, 3264, 3265, 3266, 3267, 3268, 32

FINANCIAL TIMES SURVEY

Oman

In 13 years Sultan Qaboos has transformed Oman from backwardness and isolation into a modern and peaceful state. Moreover, careful housekeeping has enabled the country to continue expanding its economy at a time when those of most of its neighbours are stagnating

IN OMAN it is barely possible to have any conversation or read any official publication which does not allude to the fact that when Sultan Qaboos bin Said al-Said deposed his father, Sultan Said bin Taimur al-Said, in 1970 with the help of British troops, the country was backward, isolated and under-developed.

By STEWART DALBY

Today contract workers, who probably did not know of the country's existence a few years back, swarmed in the buses of Muscat's four first class hotels, virtually the only places where higher is officially sold. They discuss how in 1970 there were only 10 km of paved roads in the second largest country in the Arabian peninsula, covering 300,000 sq km. There were only three primary schools for a population of probably around 850,000, and there was just one hospital.

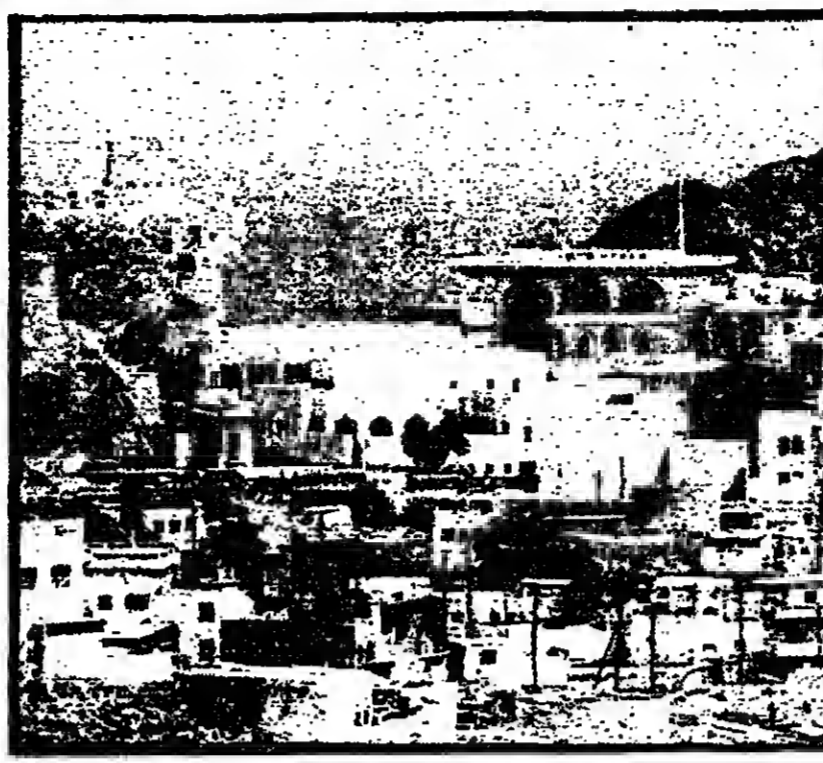
to the present day so that while Oman participates in the Gulf Co-operation Council and other Arab forums, it looks more to India and Africa than do other Middle East countries.

There are, for example, 266,000 expatriate workers in Oman but there is hardly a Palestinian among them. Apart from the British contractors and members of the armed services, they are largely Indians and Pakistanis.

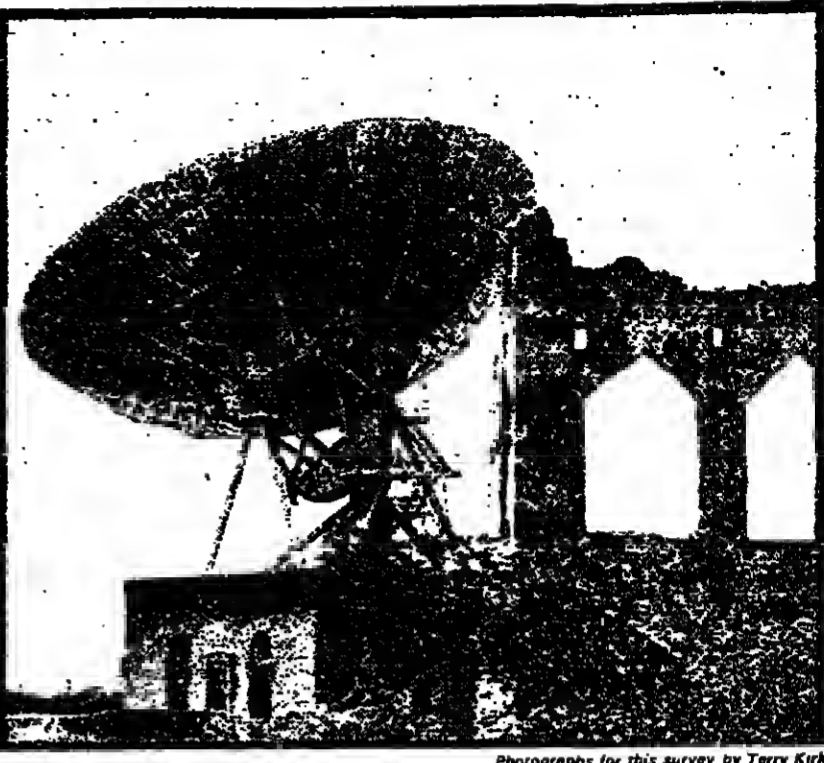
This separatism is reflected in a decidedly independent foreign policy. Virtually alone of the Arab states Oman supported President Sadat of Egypt over the 1978 Camp David accord, and was to some extent ostracised because of it.

Independent It is understandable, therefore, if Sultan Qaboos feels a sense of vindication at the way in which President Hosni Mubarak of Egypt is being welcomed back into the moderate Arab fold.

Partly because of his background—the Sultan went to school in Suffolk, England, and attended Sandhurst—he has maintained the close links with Britain which he inherited from his father. Despite the raised eyebrows from other Gulf states, British officers, both seconded on contract, are prominent in the armed forces, although their positions are due to be taken over by Omanis as soon as possible.



Left: Muscat city centre with the Al Alam Palace in the centre and Fort Miran in the background. Right: the earth satellite station at Al Haser, part of the country's modern telecommunications system which, Omanis hope, will soon be among the best in the world



Force can be accommodated although he has stopped short of allowing U.S. bases to be set up.

If a strong sense of the past has an important bearing on Oman's character than is often realised, it should not obscure the fact that she consistently independent stance Oman takes also owes a lot to the great skill with which Sultan Qaboos as absolute ruler has managed his country's affairs.

When he took over in 1970 the social and economic deprivation which his father's neglect had caused provided fertile ground for an insurgency backed by South Yemen. The rebels of the Popular Front for the Liberation of Oman (PFLO) controlled the Jebel Qara mountains in Dofar province leaving the old Sultan in charge of the Salalah plain. His empire was on the point of collapse.

Sultan Qaboos not only had to subdue this rebellion (a process which took until 1975) but also had to launch a crash development programme to build roads, schools and hospitals. Both were expensive and Oman has never been a rich country. Its foreign reserves today stand at

\$4bn). Oil exports did not start until 1967, and its current production of 400,000 b/d, very modest by the standards of some of its neighbours, is probably close to the maximum Oman can produce without seriously shortening the period its reserves will last.

It must have been very tempting for the Sultan to borrow and spend more than the state could afford but he has done neither, choosing to adhere to a conservative oil production regime instead.

Tight housekeeping

Nor has he entered any grandiose development schemes of dubious validity. There are very few conspicuous white elephants in Oman today; there are no fertiliser plants, producing fertiliser which cannot be absorbed; and no refineries producing products which cannot be sold. A small industrial estate has recently been started, but it is not intended that the manufacturers setting up there should compete with countries well established in the field.

Plans have not been laid on the basis of unrealistic oil prices, or unrealistic production levels. The wisdom of this tight housekeeping has been shown in the past year.

Oil still accounts for 86 per cent of Oman's foreign earnings, but when prices fell by nearly 20 per cent in the past year, Oman was able to offset this by increasing production. This meant that budget revenues increased and development plans were not affected. Oman has had to borrow a little but its foreign debt servicing is still less than 5 per cent of the Government's income. While other countries' economies have come grinding to a halt, Oman has managed to keep growing by 5 per cent in 1983 with the same increase in GDP likely this year.

Yet, while there is little cause for discontent in the way the economy has been managed, one small area of concern is the succession: the 43-year-old Sultan is divorced and has no heirs. There has been some suggestion that the Deputy Prime Minister for Legal Affairs F.H. Sayyid Fahad bin Mahmood al

Said, a relative, will be named Crown Prince but there is no definite sign of this happening so far.

The Sultan did anticipate some criticism that his absolute rule was too restricted by setting up two years ago a Consultative Assembly. This has worked well with its many committees producing valuable recommendations for decrees. The assembly is now being increased to 55 members from 44.

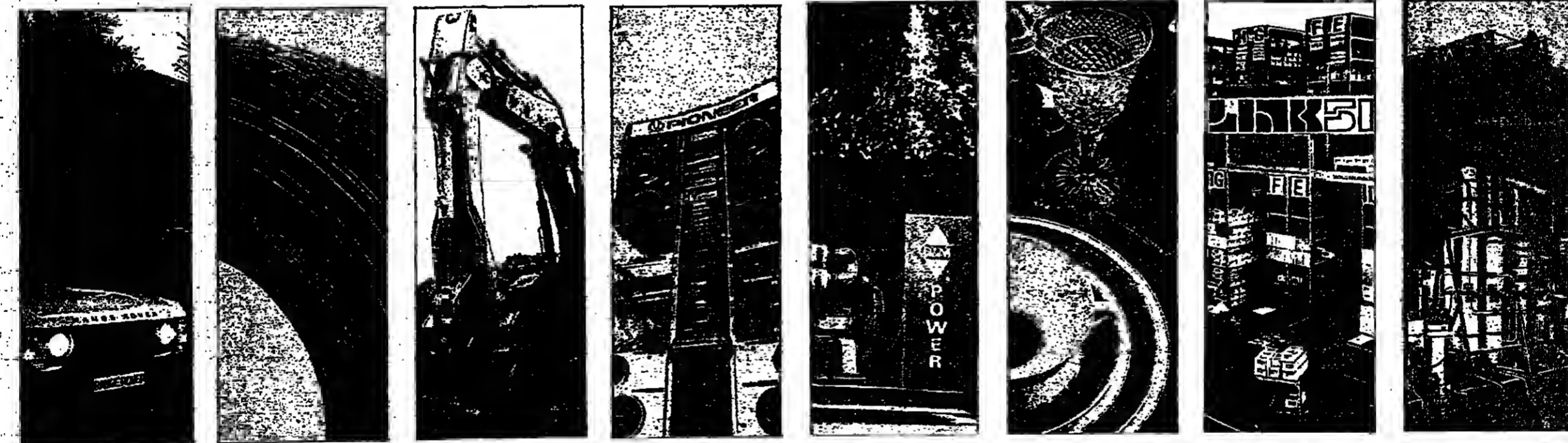
Another possible area of dissatisfaction arises from the business involvement of ministers, which in some cases could result in conflicts of interest. A law relating to commissions was recently introduced. This proved too complex to implement, and the Government will probably try to draft a new law in due course.

In truth, though it is difficult to detect any disquiet in this pleasant and relaxed country, the Sultan takes a simple view of his achievement: "My great satisfaction is that my people seem happy with what I am doing. Their faces express to me that they are happy. They even look happy."

CONTENTS

Table listing various sections and their page numbers: Economy: growth continues despite oil price setback (2), Banking: profits hit by excess of liquidity (2), Interview: with Sultan Qaboos, absolute ruler of Oman (3), Industry: private sector urged to play bigger role (4), Construction: ambitious plans remain intact (4), Oil: output expanded to offset fall in prices (5), Telephone system: bell tolls for endless engaged tones (6), Agriculture: urgent need to raise level of skills (6), Fisheries: scope for big increases in size of catches (6), Tourism: careful watch kept on pace of development (7), Labour: Migrants continue to meet shortage (7), Defence: all eyes on the Horn of Africa (8), Education: from scratch to modernity in 13 years (8)

WOULD YOU LIKE TO DO BUSINESS IN OMAN, WITH A COMPANY THAT ...



has a roving eye for market opportunities, has the experience to tread knowledgeably, has a concrete reputation for professional skills, has always been a pathfinder in many fields, has the ability to keep sparking with new ideas, has a crystal clear vision of the market, has a sales and service chain throughout the country, and is bubbling with activity in the nascent Oman market

MOHSIN HAIDER DARWISH

- List of distributors for various countries: A. E. G. Telanikan AG, West Germany; Agni Industrial P Ltd., Australia; Al Consulting Corp., India; Al Shamsi Equipment Company, U.A.E.; Alstair Ltd., U.K.; Armispa Shanks, U.K.; Asim, U.K.; Ashok Leyland Ltd., India; Austin Rover Group, U.K.; Aveling Barford Ltd., U.K.; Avon Lubricants, U.K.; Avon Infotronics, U.K.; B.P.R. & Co., France; Bennett & Sagar Ltd., Switzerland; Bill Swithenham Ltd., U.K.; Bornemann GmbH, West Germany; Shaw Wiegand Ltd., U.K.; British Systems, U.K.; British Gyroco Ltd., U.K.; Brunner Export, U.S.A.; Cape Berard, U.K.; Cervetho Crane, U.K.; Catalic, U.K.; Christie Int'l. Mfg., U.K.; Clarkston, U.K.; Coward Products, U.K.; Coform Lubricants, France; Comma, West Germany; Comtec Fassbindersysteme mbH, West Germany; Coverney China Ltd., U.K.; Craig Hico, U.K.; Crawford Doors, U.K.; Danby Tableware, U.K.; Danby, Denmark; Dayton International, U.S.A.; Dover Engineering, U.K.; Drake America Corp., U.S.A.; Dunham Bush Precision, U.S.A.; Dunlop Ltd., U.K.; Epi Tube Ltd., U.K.; Epor Industrial S-Coop., Spain; Fagor Ltd., U.K.; Fagor Industrial, U.K.; Ferretto Ltd., U.K.; Foster, U.K.; Frimont s.p.a., Italy; G. & M. Power Plant Co. Ltd., U.K.; GEC (Lamps & Lights) Ltd., U.K.; GEC Distribution Switchgear, U.K.; GEC High Voltage Switchgear Ltd., U.K.; GEC Industrial Controls Ltd., U.K.; GEC Machines Ltd., U.K.; GEC Telecommunications, U.K.; Galileo Duplone, Japan; Garate International, U.K.; Geyligna, U.K.; Gear Coverters, U.K.; Goodwyn Barry Ltd., U.K.; Gordon Rikusi Ltd., U.K.; H. D. Shalton & Co., U.S.A.; Haritama, U.K.; Hase Manufacturing Co., Japan; Haskal Energy Systems, U.K.; Higuerch city, U.K.; Hi-Tech Scientifics Ltd., U.K.; Hobbs Car, France; Honda Sales, Japan; Howard Richard, U.K.; IMI Orb, U.K.; IMI Pacific, France; IMI Yorkling, U.K.; Indian Oxygen Ltd., India; Ingersoll-Rand, U.K./U.S.A.; Jaguar Cars Ltd., U.K.; Japan Engineering & Consultants Inc., Japan; Jeon Industrial Ltd., U.K.; Kroner Consultants Ltd., India; Kuwait Electrical Wiring Accessories Co. WLL, Kuwait; La Germania, Italy; Land Rover Ltd., U.K.; Laren & Toubro Ltd., India; Laycock Engineering Ltd., U.K.; Leyland Vehicles, U.K.; Lilly Ironmongery, U.K.; Link SI, U.K.; M.C.B. Co. (IUPUS), U.K.; Marwed Hamann KG, West Germany; Mark Reiner, U.K.; Merritt & Sons, U.K.; Marwood Electricals, U.K.; Megator, U.K.; Merita Spsa Ltd., U.K.; Michelin Tyre Co., France/U.K.; Minota, Japan; Mitsubishi Electric, Japan; Moorwood Vulcan, U.K.; Murrel-Walton Products Ltd., U.K.; Myzon International, U.K.; N.C.R., U.S.A.; Nawalid Engineering, U.K.; Newman Machinery, U.K.; Norita Mfg. Ltd., U.K.; O. & K., Germany; Oubard Mance Belgium, Belgium; Refractor Ltd., U.K.; Seammell Motors, U.K.; Schlegel, U.K.; Schroeder, France; Scottom Trainers, U.K.; Servis Downside Appl., U.K.; Sidchrom, Australia; Simon-Hardy, U.K.; Simplex Lighting, U.K.; Sisona, U.K.; Splex Saxon, U.K.; Stanton & Stavely, U.K.; Stewart & Hastings, U.K.; Tangeys Ltd., U.K.; Thomas Dudley, U.K.; Tallies Gulf, U.A.E.; Triumph Adler AG, West Germany; U.B.M., U.K.; UNIPART Exports Ltd., U.K.; Unwisa Pyrotechnics, U.K.; Vefinda, France; W. & T. Anny Ltd., U.K.; Wether & Co., Germany; Ward, U.K.; Watford, U.S.A.; Wibaufing, Germany; Winget Ltd., U.K.; Wood & Pickett Ltd., U.K.; Woodhead Mfg. Co., U.K.; Yanmar Saxon, Japan; Zodiac, France

Mohsin Haider Darwish P. O. Box 3880, Ruwi, Sultanate of Oman Tel: 703777, Cables: AREEJ Muscat, Telex: 3230 LUJAINA ON

MD — A Tradition of Excellence

OMAN II

Growth continues despite oil price setback

THE STATE BUDGET (ORm)		
	1983	1984
SOURCES:		
Net oil revenue	1,181	1,100
Other revenue	130	170
Aid	10	5
Development loans	122	166
State General Reserve Fund	—	120
Total sources	1,443	1,561
APPLICATIONS:		
Defence and national security:		
(a) Recurrent expenditures	488	514
(b) Capital expenditures	126 912	163 677
Civil purposes:		
(a) Recurrent expenditures	383	477
(b) Development expenditures	363	360
(c) Financing of financial organisations:		
1. Oman Bank for Agriculture and Fisheries	4	5
2. Development Bank of Oman	4	4
3. Oman Housing Bank	4	4
(d) Financial aid to private sector	18	9
(e) Government share in F.D.O. expenditures		
1. Recurrent expenditures	62	59
2. Development expenditures	135 973	160 1,018
Loans repayment	35	50
Investments and loans	30	20
Total expenditures	1,650	1,765
Deficit	207	204

Economy

DESPITE dire predictions of a sharp downturn in economic activity in 1983 and subsequent trimming of development plans because of the softening of oil prices, Oman's economy has held up well.

Gross Domestic Product (GDP) grew by between 4 and 5 per cent in 1983 according to unofficial estimates by the Ministry of Finance. The economy should show similar expansion this year.

This is a far cry from the 21 per cent increase in 1981, when Oman caught the last of the firm oil prices. Nor does it begin to match the targets of 15.1 per cent average annual growth participated in the second five year plan (1981-85).

Nevertheless, given that oil accounts for 96 per cent of export income, and over 50 per cent of budget revenues, that it makes up 65 per cent of GDP and that oil prices in practical terms have fallen by 20 per

cent in the past 18 months, it is a creditable performance.

Moreover, the country's ambitious development plans seem barely to have been affected. The budget figures for 1984 show that spending overall at OR 1.8bn (£3.4bn) is due to rise by 7 per cent. Spending on defence which accounts for 44 per cent of budget expenditure is due to increase by 10 per cent (within the defence budget, recurrent expenditure is 76 per cent of the total).

There has been some trimming of development expenditure. The capital budget in the civilian sector is projected at OR 360m against OR 382m in 1983. In the oil sector both development expenditures and recurrent expenditures are down, by OR 35m and OR 5m respectively. Although there are no final figures for the balance of payments for 1983, Dr Sherif Lutfy, the Egyptian-born Secretary-General, reckons that payments will balance and the picture should be similar in 1984. In 1982 there was an overall balance of OR 293.5m.

One unexpected downfall that Oman did receive last year was a low rate of inflation.

Its terms of trade improved by 10 per cent as a result of the strength of the dollar (the currency in which it is paid for its oil exports) and as a result of the weakening of the currencies of Europe and Japan where most of its imports originate. As a result imported inflation was not a problem.

Mr Mohammed Misa, the Under-Secretary at the Ministry of Finance, claims there was actually a deflation last year of 1.1 per cent. This does not square entirely with other estimates which have it that inflation domestically increased by 10 per cent, but certainly the weakening of the European currencies and the yen helped Oman.

In value terms imports may well have dropped last year. Again there are no final figures available for 1983 but total imports for 1982 were OR 926.5m, while for the first two quarters of 1983 they were OR 231m and OR 221.6m respectively.

The primary reason Oman has been able to keep growing at a comfortable rate and keep its development programmes on course is that it has been able to increase its oil output.

Oman is not a member of Opec or of Caspec, but it is a member of the Gulf Co-operation Council. It must be sensitive to its co-members wishes. The GCC, a six country, organisation includes two large oil producers in Saudi Arabia and Kuwait.

Despite these considerations and largely because Oman is such a small producer whose output is modest by GCC standards, it has been able to push its production up. In 1981, it stood at 330,000 b/d, and by the end of 1983 was 385,000 b/d. The increases in production have served to offset the price drop so that revenue from oil, projected at OR 1.1bn is virtually the same as in 1982 when it was a shade under OR 1.2bn.

Of course, Oman has not been totally immune to the effects of the collapsing price for oil. For the third year running a budget deficit is envisaged. The budget deficit for 1983 was projected at OR 207m and may well have turned out higher. The foreign exchange component of this was covered by a eurodollar loan of \$300m. This was lead by Gulf International Bank. It involved a consortium of 21 banks and is a seven year facility.

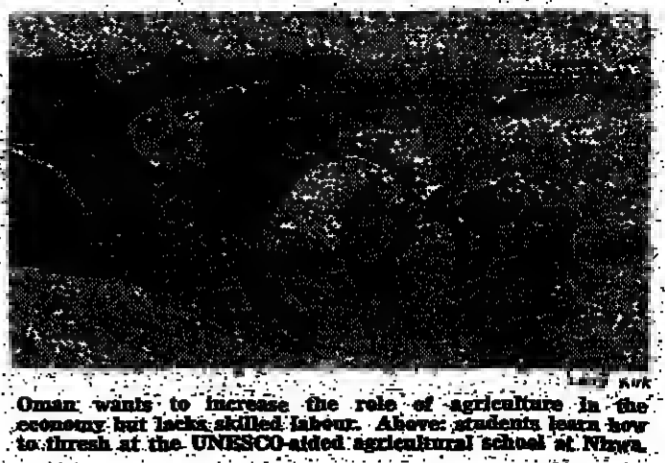
For the past four years Oman has committed 15 per cent of its budgeted revenues to a State General Reserve Fund before other expenditures. This amounted to some OR 1bn by the beginning of 1984. The budget shortfall for 1983 could be covered from this fund.

In 1984 the situation looks to be different. The budget estimates already include a drawing of OR 120m from the SGRF before and after other budget expenditures.

It seems likely that there will have to be further drawing down of the reserves, and it is possible Oman may have to go to the eurodollar market again. Ideally the country would rather obtain money from other sources. This year's budget includes a provision for OR 166m in development loans. This would include monies from other Gulf states, but presumably does not include military aid. The GCC recently agreed to give Oman \$1.8bn in military aid over a 12-year period.

There is a small amount of grant aid, mostly from Saudi Arabia and largely wrapped up in the hospital Saudi Arabia is effectively donating. This year, though, aim amounts to just OR 5m.

There are various other capital inflows. Britain's ECOD is exposed to the same of \$300m, although, of course, not all of this is a similar period of 1983. If Oman should need to go



Oman wants to increase the role of agriculture in the economy but lacks skilled labour. Above: students learn how to fish at the UNESCO-aided agricultural school at Niqra.

to the capital markets it would find no difficulty in raising money. The total public debt is OR 600m. Servicing this amounting easily to under 5 per cent of Government expenditure.

The overall picture that emerges is that Oman, because of its careful budgeting in the past, never spending more than it earned, has been able to ride out the decline in oil prices and the world recession relatively peacefully.

It has gone a little into debt, but is in no way living beyond its means. Its foreign exchange reserves stand at \$400m, and it is so underborrowed there is no prospect that the IMF will be visiting shortly.

Its development programme is on schedule. It has a bottleneck in its shortage of trained manpower.

With a population of perhaps under 1m people, there are shortages of most levels of management and government. There are 286,000 expatriate workers in Oman, largely Indians and Pakistanis. They do mostly work or are employed in hotels. There are also some 600 British officers under contract or on secondment in the armed forces.

Eventually the hope is to replace foreigners with Omanis, but as one senior minister said: "It takes time you just cannot get people to take over important jobs without training overnight."

Stewart Dalry

Profits hit by excess of liquidity

Banking

ALTHOUGH in the financial sector 1983 was generally mixed, all 25 banks managed to stay in profit.

Total deposits moved from OR 483.5m (1982m) to OR 584m (£1,065m) in the year to September 1983. This was an increase of 21 per cent, and in line with increases of previous years, apart from 1980 when there was a large jump of over 40 per cent.

Lending rose only 15 per cent, to OR 477m, and thus increased at a slower rate than previous years.

Gross profits in the nine-month period January to September 1983 were OR 9.6m, a fall over the comparable period in 1982 when profits were OR 11m. This in turn compared with a record rise of 40 per cent for 1982.

The final figures for 1983 have not yet finally been released, but Dr Abdul Wahab Khayyat, the President and Deputy Chairman of the Central Bank, told the Financial Times that profits for the year would probably emerge virtually unchanged at OR 18.1m against OR 15.9m in 1982. There is no breakdown available, but in 1983 the total banks led by the National Bank of Oman, made roughly OR 10m and the 14 foreign banks OR 5m. Profits for 1984 will not be out of line with this apparently. None of the banks made losses.

The standard in profits was due not so much to a slowing down in economic activity, but a building up of excess liquidity. This was the result of a government ban on the banks' foreign holdings.

In Oman the 14 foreign banks enjoy the same privileges and rights as the local banks. There is no exchange control in the Sultanate and the foreign banks can deal in local currency.

This is a result of the relatively slow emergence of banking in the country. Until 1970 only three banks existed in Oman. The British Bank of the Middle East (BBME) was established in 1948 and effectively acted as the finance ministry and central bank. The Chartered Bank and Grindlays followed in the 1960s, but it was not until 1975 that the Central Bank of Oman was set up.

Equalisation

Because of the fixed interest rate system and the lack of exchange controls there was a large outflow in the early 1980s of capital attracted by higher eurodollar rates. A net foreign liability for all the banks of OR 125m in 1970 was turned into net foreign assets of OR 152m by the beginning of 1983. This rose only slowly throughout the rest of 1983 to about OR 155m by the third quarter reflecting a narrowing in the gap between rates available at home and overseas.

It was the shortness of liquidity which this outflow caused at the time which led the Central Bank to stipulate that no bank can deposit more than 40 per cent of its net worth in foreign holdings. They have also sought to limit the export of funds by forbidding banks to hold deposits in non-resident financial institutions.

The Central Bank has attempted to remedy this curtailment of opportunities by introducing Rial dollar swap arrangements. It has also encouraged a system whereby it will discount 90 day commercial bills. A new regulation requires all the banks to hold no less than 10 per cent of all loans and advances in discounted bills. This has still not been enough to mop up surplus liquidity.

The commercial bills have so far not been a great success. Banks apparently feel uncomfortable with them, and large private investors still seem happier with postdated cheques.

Bank lending ratios have been falling well below permitted maximums. This is 85 per cent but in the last quarter of 1982 the bank lending ratio for all the banks was just 61.6 per cent. This crept up to 69.3 per cent by the third quarter of 1983.

Another indicator of the excess liquidity is the way interbank rates have fallen. They are now running at 1 1/2 per cent for short term overnight money compared to 8 to 9 per cent a year ago.

There is no stock market in Oman and no other money markets other than inter-bank lending. It seems certain that the Government will introduce Treasury bills of three months, six months, nine months and a year to try to provide further outlets for funds.

Meanwhile the bank managers complain that the country is overbanked, and that competition is too sharp because of the partial block on investing funds abroad. One general manager told me he recently had \$75m with which he could do nothing.

The breakdown of lending by economic sectors shows that by the third quarter of 1983, 43.96 per cent was accounted for by imports,

CONTINUED ON NEXT PAGE

This is the start, and we'll build the future...

Cementation International is constructing the Sultan Qaboos University, Oman. The first of a total of 3,000 students will enter in 1986. More than twice that number again will make up the total campus population. Almost a small town. And to mark the unveiling of the University's foundation stone and the Sultanate's 13th National Day—the Year of Education and Youth Affairs—a commemorative stamp was issued.

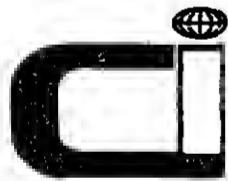
This is just one of the major international turnkey contracts we are working on. Each with its own specially designed funding structure. Years of expertise and strong links with the

international finance community enable us to provide tailored financial packages for projects. These are often highly intricate multi-source and multi-currency arrangements.

Our construction record ranges from hotels, banks and office complexes, townships and housing areas, cement plants, infra-structure developments, shopping centres and markets, airport terminals, schools and hospitals.

From Poland to Jamaica, from Indonesia to Bahrain, from Taiwan to Dubai and from Saudi Arabia to Ghana.

Whatever or wherever the contract, Cementation International will give total commitment and complete satisfaction.



Cementation International Limited
For more information please contact: The Marketing Department, Trafalgar House, Hammersmith International Centre, London, W6 8DN
Tel: 01-741 1644 Telex: 8813442 CEMINT G
Telegrams and cables INTCEM LONDON W6



United Bank Limited has a network specially designed to serve you round the world.

With an international network of 33 branches which spread from the U.S.A. to the U.K. to the Gulf & Middle East, subsidiaries in Switzerland and Lebanon, Joint Ventures in Oman and Saudi Arabia and over 1620 branches in Pakistan, UBL makes sure you are never far from their personalised service.

- Branches**
- UNITED KINGDOM
 - London ■ Birmingham ■ Bradford
 - Manchester ■ Hounslow ■ Leeds
 - Huddersfield ■ Luton ■ Nottingham
 - Oldham ■ Glasgow ■ Cardiff
 - Blackburn
 - UNITED STATES
 - New York

OVERSEAS NETWORK

- GULF & MIDDLE EAST
- Abu Dhabi ■ Dubai ■ Sharjah
- Bahrain ■ Doha (Qatar)
- Sana'a (Yemen Arab Republic)
- Subsidiaries
- UNITED BANK OF LEBANON & PAKISTAN SAL
- Beirut ■ Bourj Hammoud (Beirut)
- Hama (Beirut) ■ Rousshe (Beirut)

- Subsidiaries (continued)
- Achrafieh (Beirut) ■ Tripoli (Lebanon)
- UNITED BANK AG ZURICH
- Zurich
- Joint Ventures
- Commercial Bank of Oman Ltd.
- Muscat (Oman)
- United Saudi Commercial Bank
- Jeddah (Saudi Arabia)



United Bank Limited
THE PROGRESSIVE BANK
HEAD OFFICE: Karachi, Pakistan.
Telex: 2834 UBL PK and 2854 UBL PK
LONDON ZONAL OFFICE. Telex: 888759
NEW YORK (U.S.A.) OFFICE. Telex: RCA 232576
ABU DHABI (U.A.E.) ZONAL OFFICE Telex: 22272

Head start

The foreign banks thus had a head start and right up until the mid-1970s, even when the oil money was flowing, the foreign banks acted as creditors to the Government.

When the Central Bank got into its stride its main pre-occupation was to safeguard the value of the Rial which is pegged to the dollar. The Central Bank runs a tight ship. Each bank must submit monthly reports on lending and foreign exchange exposure.

There is a decree that limits a bank's lending to any one customer to no more than 30 per cent of its net worth. Local banks complain that this is unfair since they have to rely on correspondents or associates abroad in the event of a big deal. Foreign banks net worth, however, is considered on a worldwide basis. They were therefore in a better position to move faster in the event of a large, import order.

The minimum reserve requirement of deposits to be placed interest free. In addition a nominal deposit has to be

Handwritten signature or text at the bottom of the page.

OMAN III

In a recent interview with Stewart Dalby, Sultan Qaboos bin Said al-Said aired his views on a wide range of topics from internal politics to Lebanon. This is what he said



Sultan Qaboos bin Said al-Said

On Aysatibah Khomeli's threat to close the Straits of Hormuz. We would like to think that he will not do it. It is not good for anyone. It does not serve anyone's interests. There are far more reasons for not doing it, than for doing it. In spite of this we must take seriously any threat that he might try something. We are obviously not in a position on our own to prevent him attempting to close the Straits. We must ensure that we know what is happening when it is happening and if possible in advance. We can then counter with our Brother Gulf states and decide on what course of action we must take.

On the Iran Iraq War. You see there was some shelling this morning by Iraq, so it will be Iran's turn now. The thing will go on, and then hopefully they will get tired of it. Both sides will see there is no sense in carrying on. Iraq made a statement recently. In fact, Iraq has made many statements saying it is prepared to talk. A United Nations delegation is supposed to look into the situation, so at least we might learn what the Iranians think on the ground. Personally I do not see anything happening until Iran decides there is no sense in going on or the situation there changes. There is no sign of it yet.

On the Gulf Co-operation Council and its defence policies. In two years we've made a very good start. We want to take a step by step approach. Study situations and then decide how to tackle them. Our brother states are giving us OR 500m (\$1,800m) over 12 years as defence aid. We are always glad when our brothers devote funds to help us modernise and build up our armed forces. But after all, it is their defence as well.

We have been having joint exercises. There were recently joint air force exercises with the UAE and Abu Dhabi. I have not received the full reports yet, but I gather they went well. We want to join exercises as often as possible. We still have some way to go before we have a concerted defence policy.

war from which nobody benefits. (Sultan Qaboos was one of the few Arab states not to condemn Egypt over the Camp David peace accord.)

On South Yemen. We have announced we are exchanging diplomatic relations but we have not exchanged ambassadors yet. I regard the war in the 1970s as a closed chapter. (South Yemen supported guerrillas of the Liberation Front for the Liberation of Oman against the Sultan's armed forces in the 1965-75 campaign.)

It is always better to get on with your neighbours, providing they are not interfering with you. It takes time to build up confidence again, though, and we are not going to rush them.

On the Soviet Union. The Soviet Union appears to have been less active recently. But you must remember they do not always do things directly. In Angola and Ethiopia they used Cuban troops and Cuban troops are still in both places. I believe.

Many countries of the world feel that dangerous situations are being created by activities like Afghanistan, and this may have caused them to calm down a bit. But I don't believe their long term aims have changed. They want to dominate.

Do they want to dominate in the Gulf? Certainly, it is an important strategic area. We all know they want to create a situation which would serve their aims of expanding here. They have always wanted to expand here.

You are said to be against having U.S. bases in Oman. No, never. The advantages of bases are far outweighed by the disadvantages. First, if you have bases, you yourselves become a target of superpower confrontation. We would not like to count on becoming a superpower battleground.

Second, I do not think my people are politically inclined to accept such a thing. It is only right that they should not have foreign soldiers wandering around the place. The occasional ship can visit but not troops. I will never allow bases, I assure you.

The Americans have facilities. They have been altering some facilities. That is part of our agreement with them. There should be an ability to accommodate them should the need arise. The freedom of the Gulf is in the West's interests. They should have facilities here.

You do not want U.S. bases, but you have a close relationship with Britain even to the extent of having your army partly officered by British soldiers. Is this something to do with your personal background? (Sultan Qaboos went to school in England and attended Sandhurst military college.)

Our ties with Britain go back a very long way. We have been friends for a long time. Our armed forces were traditionally officered by the British. Today we have civilians who work for us and the military relationship has been maintained and has been a great help.

may not exist or already be taken if they do exist. Here we really have learned from the mistakes of others. I can think of countries who have built up industries only to find that they cannot sell the stuff. We should place our future in agriculture.

On the State Consultative Council. The first two sessions have ended on a good note. We are increasing the number of members from 45 to 55. The committee system is working well. They meet every month and we have bigger sessions each quarter. They send policies for my endorsement regularly and I either sign them or if they need more work refer them back.

Do you foresee any further political movements? Not for the moment.

There is enough work to be done involving the economy and social things. Foreign affairs would be too much to add at the moment.

What is the rationale behind having your own university? It is better that our people have their education in their own country, within their own environment, and not be subjected to loneliness and other pressures elsewhere.

Secondly, we want to establish an education system satisfactory for our needs. We are going to have practical courses, medicine, engineering, agriculture and the like. We do not intend to have philosophers or poets, not yet anyway. We need scientists to serve the country but they will be intellectuals in their own right.

What do you regard as your main achievements and what are your hopes for the future? That is a very big question. My great satisfaction is that my people seem happy with what I am doing. They express this happiness to me. They even look happy. I drive around and they seem relaxed and contented.

For the future I want to do more of the same. We have just laid the foundations really. We have been in a position to do things and we have done them. I hope sensibly gradually and carefully. We are not interested in doing anything for show.

I consider it absolutely essential. I do not think any development can succeed unless you have a secure country. Once you are secure you can mingle freely with other countries. You can invite other people to visit. You cannot develop and prosper, if you feel constantly under threat.

On the Economy. Our economy is very sound. Our programmes are steadily coming to fruition. Our plans have not suffered a setback because of the oil situation and the recession. Our priorities have changed a bit.

Can you give some examples? Well, in our second five year plan we were going to build more roads, but we have a network of roads good enough for our needs, so we are going to spend the money on a 585-bed hospital instead.

'We should not see ourselves as an industrial country... we should place our future in agriculture.'

We have been lucky in developing late so we have been able to avoid the mistakes of others. We have avoided grand schemes. But we have made mistakes. In the first five years we did everything in such a rush. We had to. But there was waste here and there and things of dubious quality. Some schools were thrown up too quickly so we had to build them again.

You are said to be very interested in agriculture. Yes, very. We have to do more. We have made certain advances, but I am not yet satisfied we are doing enough. A problem is that people have not yet come with or decided what are the best methods for us. What should we produce? Should we have large co-operatives or many smallholdings? We are getting there. Our experience shows us are getting which seeds and which fertilizers and so on. We want to be able to produce enough food not just for ourselves but for export.

On industry. I would agree with my minister who told you that we should not see our future as an industrial country, although we are producing some things. We do not have the trained people and the markets

The Bahwan Group

Growing with the Nation...

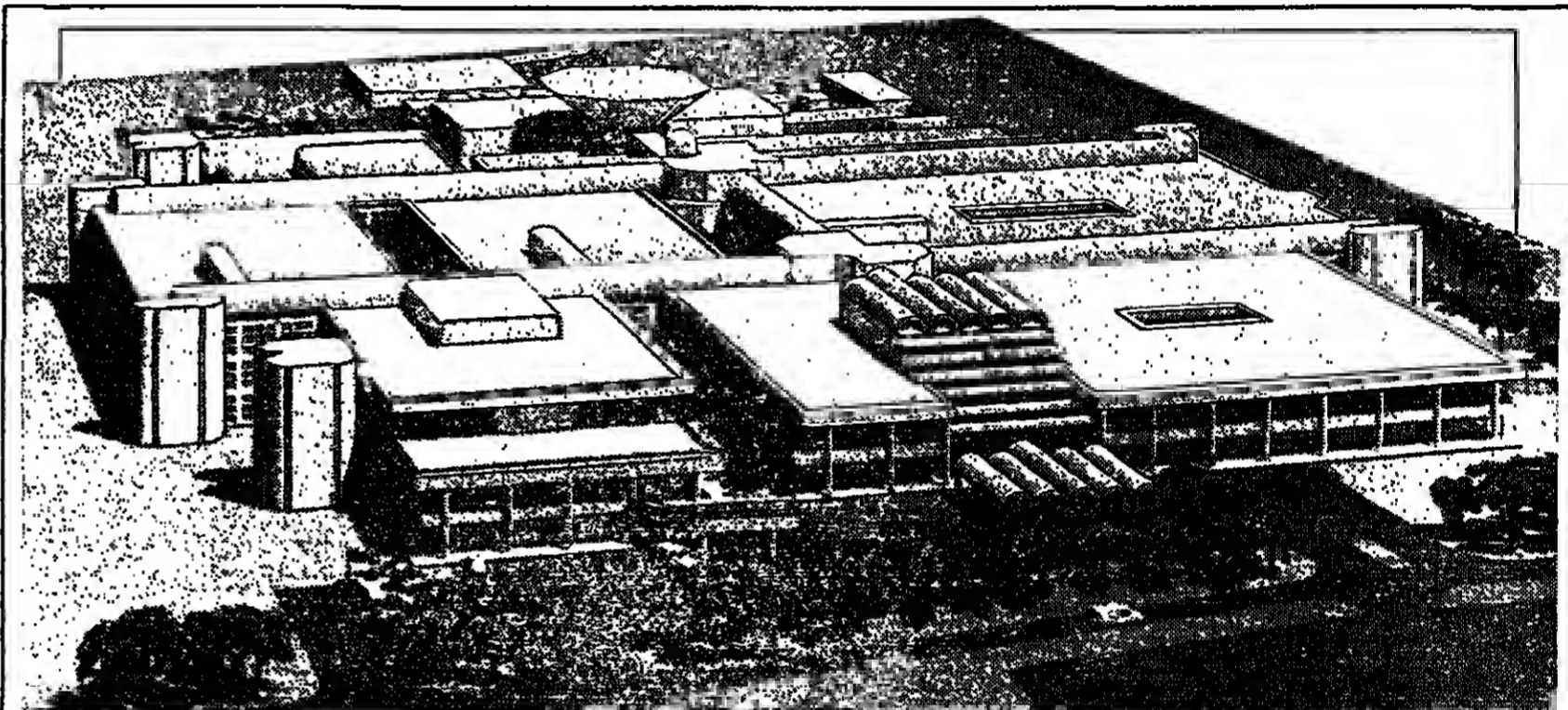
From a small family concern in 1965, the Bahwan Group, today, is one of the principal business houses in the Sultanate of Oman. Its many companies dealing in diverse products & services, participate in all key areas of the nation's economic and social development.

- Food, Health Care, Agriculture, Power Supply, Transportation, Telecommunications, Engineering, Construction, Electronics, Travel



Corporate Headquarters: Bahwan Centre, P.O. Box 169, Muscat, Sultanate of Oman. Tel: 734201. Cable: BAHWAN Muscat. Telex: 5274 BAHWAN ON.

- SUNAH & SAUD BAHWAN DIVISIONS: Automobiles & Trucks, Tyres & Batteries, Special Equipment, Transport & Refrigeration, Construction Equipment, Projects & Telecommunications, Entertainment, Electronics & Home Appliances, Watches & Personal Items. SUNAH & SAUD BAHWAN BUILDING MATERIALS LLC, BAHWAN CONTRACTING COMPANY LLC, BAHWAN ENGINEERING COMPANY LLC, BAHWAN FOODS LLC, UNIVERSAL ENGINEERING SERVICES LLC, ARABIAN CAR MARKETING COMPANY LIMITED, EBIN RUSHED PHARMACY LLC, ARABIAN ENGINEERING SERVICES LLC, BAHWAN TRAVEL AGENCIES LLC, RENT A CAR LLC, DELTA LIMITED, AL WILAYAH TRAINING COMPANY LLC, ARAE MERCHANTS COMPANY LLC



Wimpey Alawi LLC have contracted four major projects in the Sultanate of Oman worth in excess of £176 million. Royal Hospital. £147 million. The project involves design, construction and equipping a 500 bed hospital, together with staff accommodation in houses, flats and hostels. Complex to be built as a 2 and 3 storey split level building to suit the contours of the gently sloping rocky side. Architects: Percy Thomas Partnership. Civil/Structural Engineering: Wimpey Group Services. Consulting Engineers, Mechanical & Electrical Services: Donald Smith Seymour & Rooley. Building Services Subcontractor: Brightside Mechanical and Electrical Group Services Ltd. Quantity Surveyors: Monk & Dunstone Associates (Middle East).

WIMPEY CONSTRUCTS FOUR MAJOR PROJECTS IN OMAN.

- Ministry of Foreign Affairs. £12 million. A ministry complex being built in Muscat for the Director General of Properties of the Diwan of Royal Court Affairs. Complex will have one, two and three stories with reinforced concrete frame and hollow block in-fill. Finished specifications include extensive use of Italian marble and teak panelling. Consultants: Fitzroy Robinson & Partners (Middle East). Housing Complex. £11.6 million. Contract to build accommodation for 310 staff and dependents of the Oman Cement Company (SAO). Complex comprises 27 houses, 5 apartment blocks, two dormitory units, a mosque, senior and junior staff clubs, swimming pool, medical centre and shops. Included are all infrastructure items such as roads, electrical intakes and distribution, water and sewage works. Consultants: Messrs Huckle & Partners (Oman). Power Projects. £6 million. John Brown Engineering Ltd. placed the order for civil and building works for a 250 MW power station in Rusayl, Northern Oman. Work, which is now completed, involved construction of turbine and ancillary foundations, control and administration buildings and some associated external works. Consultant Engineers: Anthony Masters and Partners Ltd.



George Wimpey International Limited, Hammersmith Grove, London, W6 7EN. Tel: 01-748 2000 Telex UK 25666 Overseas 22456



Wimpey Alawi LLC, PO Box 4436, Ruwi, Muscat, Sultanate of Oman, Telephone: 610267/610347.

BANK LENDING RATIO (In ORm) table with columns for 1982 and 1983, and rows for Deposits, Actual Lending, Permitted Lending, Amount in Excess, Lending Ratio.

Amount in excess is the sum of excesses of individual banks and is not the difference between aggregate actual lending and permitted lending of all banks. Source: Central Bank of Oman

Liquidity excess

Continued from previous page. 15.47 per cent by construction and 20.17 per cent by personal loans. One area into which the banks do not stray and where there is thought to be a need for greater activity is long-term lending. Long-term lending is done almost exclusively by the Government's lending agencies. Notably the Oman Development Bank, the Oman Bank for Agriculture and Fisheries and the Oman Housing Bank. The Oman Development Bank has been involved to date in 109 projects ranging from food processing and beverages, chemical products, paper and printing products, furniture and so on, at a cost of OR 57m. Much of this was short term credit. Dr Abdul Habab Khayata estimates that total medium and long term credit dispersed by these three institutions does not go far beyond OR 75m of which OR 63m was dispersed for housing purposes. If the country is overbanked, it appears to be underbanked. Including the three government agencies, the banks have 190 authorised branches of which 175 are operating. The moratorium on new banks setting up was lifted in 1981 but since then only two banks have set up in Oman. They are the Oman Overseas Trust Bank and the Banque de Liban or D'Ouair Mar. S.D.

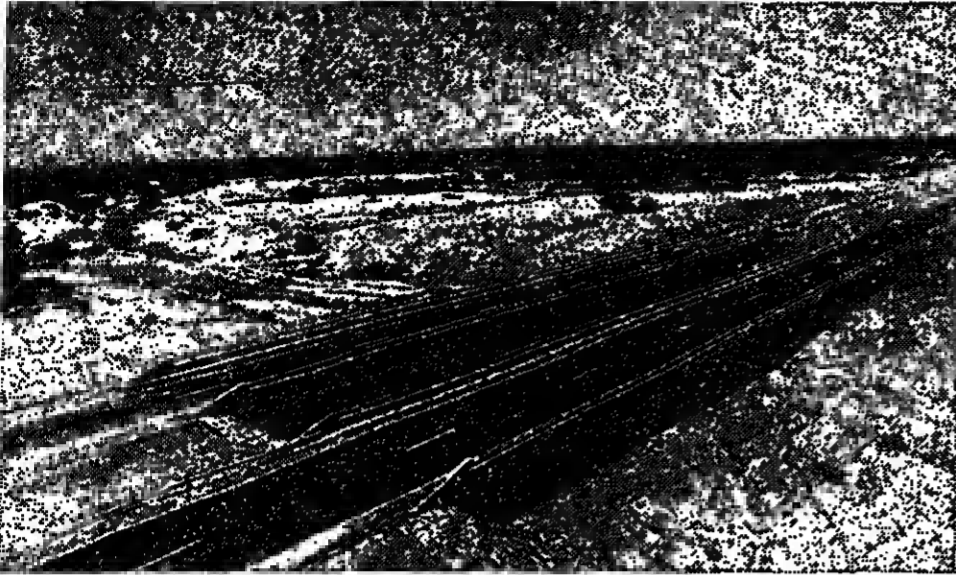
Vertical text on the left margin: etback, role of agriculture, Stewart, UROUND WITH STRATEGIC REISA IN OURIES AND RVICE, NATIONAL CE CO. SAO, INSURANCE COMPANY, NEED ONIC, INSURANCE, ACCIDENT, INSURANCE, WIMPEY, WIMPEY ALAWI, WIMPEY ALAWI

پولينغ PAULING



پولينغ پي ايل سي
المركز الرئيسي
١٠٠ روتنستر رو لندن اس دبليو ا بي ١ جيه بي
هاتف: ٤٣٥٥ ٠١-٨٢٨
تلكس: ٣٣٣٣١
بريخا: كلاماتريس لندن اس دبليو ا

PAULING P.L.C.
Head Office
100, Rochester Row, London SW1P 1JP
Telephone 01-828 4355 Telex 253131
Cables Clamatroes London SW1



Dutco Pauling (Private) Limited

مركز بولنج (الخاصة) بيمت

جسور انشئت فوق الطريق المؤدية بين الآجر والسبب BRIDGES CONSTRUCTED ON THE AGR TO SEEB HIGHWAY

البناء والتشييد في سلطنة عمان

CONSTRUCTION IN THE SULTANATE OF OMAN

بولنج (صان) شردم
ص.ب ٤١١٤ روي سلطنة عمان
هاتف: ٧٣١٨-٧/٧٣١٩١
تلكس: ٣٣٣٣١ م
البرق: بولنج مسقط

مركز بولنج (الخاصة) بيمت
ص.ب ٥٢٤٠ دبي، دولة الإمارات العربية المتحدة
هاتف: ٧٥٧١٧٥
تلكس: دبي ٤٦١٠٠٠ DPPCO EM

Pauling (Oman) L.L.C.
P.O. Box 4114, Ruwi, Sultanate of Oman
Telephone 734691/734807
Telex 3386 MB
Cables Pauling Muscat

Dutco Pauling (Private) Limited
P.O. Box 5240, Dubai,
United Arab Emirates
Telephone Dubai 257175
Telex Dubai 46906 DPPCO EM

OMAN IV

Private sector urged to play bigger role

Industry

THE SECOND Five Year Plan (1981-85) has seen considerable government impetus into the establishment of both small and medium-sized industrial projects. There is limited scope for industrialisation within Oman, principally in the manufacture of goods currently imported, and the Government is anxious that the private sector should lay down grass roots in industry, particularly if this involves the use of local raw materials.

One of the larger projects to come into production is the cement factory at Mina Raysut in the Southern Region, which is already producing 210,000 tonnes of cement a year, using limestone and gypsum mined locally.

The Raysut Cement Company is a 20 per cent government owned, joint stock venture. A second cement factory, the state owned Oman Cement Company has been completed at the new Rusail Industrial Estate in the north.

Together they will produce approximately 60 per cent of Oman's yearly cement requirements. Good quality cement is available cheaply from the neighbouring UAE due to shortage of construction work there. However, Oman can either levy import tariffs to protect its own market, as cement was one of the items excluded from the recent Gulf Co-operation Council trade agreement, or make out the price of foreign cement in order to keep building costs within the Sultanate to a minimum.

A second large industrial project to come on stream in the last year is the animal feed mill, run by Oman Flour Mills.

Oman Organic Fertiliser and Chemical Industries' plant at Bausbar. The plant which recycles waste matter into fertiliser has already commenced operation and is aiming for an output of 10,000 tonnes a year. A major project to come on stream is the Oman refinery operated by Ashland (Oman) Company, a subsidiary of the U.S. company Ashland Oil. The refinery's capacity is 50,000 barrels a day. Since the refinery began production in November 1982, Oman's imports of refined oil have dropped from OR49.5m during the first six months of 1982, to OR7m for the same period in 1983.

Incentives

In order to tempt the private sector into small-scale industries the Government is offering a number of incentives, including cheap land and electricity, import duty exemptions on raw materials and machinery and soft loans. The loans are interest free on up to 100 per cent of paid up capital, repayable over 20 years. The 1984 budget includes a OR2m subsidy for the private sector.

Another incentive is the availability of government-sponsored feasibility studies on likely projects. Feasibility studies have been carried out on a steel rolling mill, steel assembly plant, a plant to refine used lube oil, a leather shoe factory and factories making wooden furniture, kitchen units and melamine kitchenware.

There is a steadily increasing trade exchange between Oman and the rest of the GCC member states and close liaison is taking place among government bodies concerned with industrial licences to avoid establishing similar industrial projects within a relatively limited market and to encourage joint ventures. One such venture is the expansion of the pharmaceutical industry in the Gulf and the setting up of a plastic syringe factory in Oman.

Within the recent GCC Trade Agreement eight items were not exempted from Oman import tariffs in line with projects already given to go ahead in the Sultanate. The items are cement, asbestos, plastics, paints, edible oils, light bulbs, car batteries and detergents.

Already a number of small- and medium-sized companies have started operations. Some of the earlier ones were the date processing plant in Niwa and the banana packing plant in the southern region. A spin-off from the latter is a manufacturing unit under licence from UK's Smith Industries started production last year together with factories making electric wire and cable, and paper bags.

Since the start of 1984, a rash of new industries has sprung up. A giant crushing plant producing aggregate used in concrete has been installed at Rusail for Al Bani Company which is venturing into the crushing business for the first time.

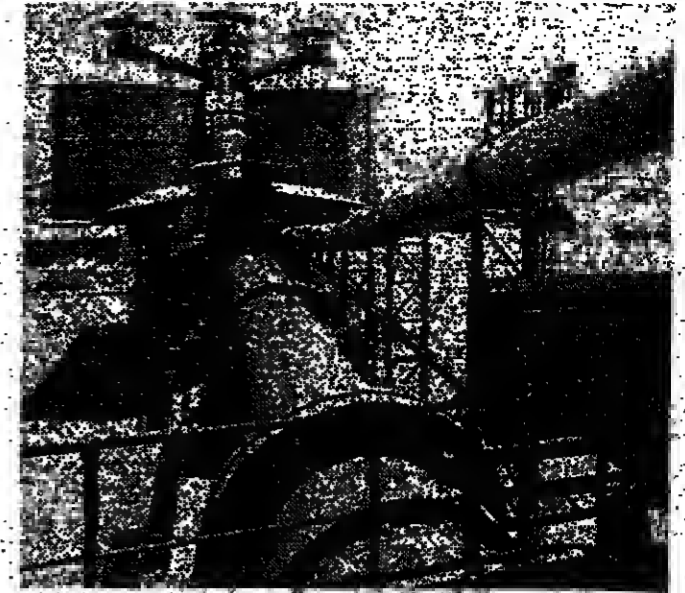
The plant has been installed by Zaidi Trading and Contractors, local agents for West Germany's Klesman Reiner and has a capacity of 200 tonnes an hour. Plans for a second crusher at Sohar are being finalised.

At Turki Cement Products LLC have just installed a fully-automatic computerised concrete block making machine which can churn out 900 blocks an hour at Ghallal.

At Turki Cement Products LLC have just installed a fully-automatic computerised concrete block making machine which can churn out 900 blocks an hour at Ghallal.

A detergent factory also opened at the end of February. The factory can produce up to 600 tonnes of brick to meet local demand and replaces imported bricks from the UAE. Initial daily production is 20,000 large size bricks.

A detergent factory also opened at the end of February which is capable of meeting local demand and at a later stage will export to other Arab countries. The factory also has a licence to produce brand names marketed in the Gulf.



The new dry-process cement plant built by Costain International at Rusail industrial estate in the north. It and the new Mina Raysut factory will produce 60 per cent of Oman's yearly cement requirements.

An unusual industry to start production at the end of last year was the Perfume factory, producing probably the world's most expensive perfume called "Amouage" which is packaged in solid silver flasks dipped in gold.

A recent official report predicts that by the end of the second Five Year Plan in 1985, industrial output will have more than quadrupled to OR6.7bn when compared with 1980 figures. The rise, which reflects an annual growth rate of 34.2 per cent, will significantly contribute to the predicted 153.5 per cent overall expansion in gross domestic product during the second Five Year Plan.

Pride of place within the Government's industrial development plans goes to the new OR 20m Rusail Industrial Estate, phase 1 of which was completed early this year. The estate covers 45 hectares of ground comprising 77 commercial plots, 11 of which are already allocated, and has an infrastructure of roads, water, electricity and telephones.

Phases 2 and 3 which are in the design stages will add a further 45 hectares to the estate. Plans are already under

consideration for the laying of a further industrial estate in Sohar. One of the Government's main aims is to utilise the skills of Omanis wherever possible and an increasing number of technical appointments are being filled by Oman manpower. A Department of Manpower Planning was established in 1982 within the Ministry of Social Affairs and Labour under a technical co-operation agreement with the World Bank, to train civil servants in all cadres and to train them to BR vacancies in public and private sectors.

In line with this policy the Directorate General of Roads has launched several courses to train Omanis in construction and maintenance of roads and to drive graders and other heavy duty vehicles. However, rapid development has underlined the necessity of employing Asian labour and this is likely to continue for some time, although already recruitment of foreign labour is being discouraged in fields where there are qualified Omanis available to fill the job.

Jennifer Robb

Ambitious plans remain intact

Construction

DESPITE THE shortage of work in the United Arab Emirates which is causing an influx into Oman of companies seeking contracts, prospects for companies established within the Sultanate look bright.

Almost all projects within the 1981-85 Five Year Development Plan are going ahead and steady economy has resulted in no deferment in government spending. As government projects form the bulk of available contracts in Oman, the contracting situation is heavily linked to the Five Year Plan, now in its fourth year. Most major government infrastructure projects are spread amongst the large international contracting companies, either operating alone or in joint ventures with local companies.

One of the largest projects taking place at the present time is the Sultan Qaboos University at Al-Muscat, 10 km west of Seeb Airport. The £215m turnkey construction contract was awarded to Britain's Cementation International, a wholly-owned subsidiary of Trafalgar House group, in March 1982. Eighty per cent of the finance for the project is guaranteed by UK's Export Credits Guarantee Department (ECGD).

A further contract valued at £80m has been awarded to Cementation International for the construction of a university hospital to open in 1988. The hospital will operate as a teaching institution for the university and as a general hospital for the capital area.

A OR 78m (£156m) district hospital at Ghubrah is under construction by Wimpey Alawi International, a joint venture of Wimpey International, and will be ready by the end of 1988. Wimpey Alawi have also commenced construction of the new Ministry of Foreign Affairs Building.

Johnson & Paraskvaldes (Oman) are constructing the OR 80m 250 room Kuray Al-Bustan hotel and conference centre which is opening for the 1986 GCC summit. The Bausbar sports stadium is being built by Taylor Woodrow Towell at a cost of OR 30m.

Yama Costain has been awarded the OR 35m contract to build a camp for the Armoured Regiment for Ministry of Defence and John Laing has a OR 24m contract for a military hospital. The OR 50m Rusail Power Station has now been completed by John Brown Engineering.

A few major projects listed within the current Five Year Plan have not yet commenced but provide interesting prospects for the next few years. One of them is the Wadi Dayqah dam which is to supplement the capital area water supply. Design for the dam have been prepared by UK's Sir M. MacDonald & Partners to provide a 100m cubic metres capacity but the project is held up by lack of funding. It is possible that this project will attract ECGD backed credit financing, providing strong opportunities for turnkey bids from UK companies.

The OR 40m Salalah Sewerage Scheme has also been discussed for some years. Although preliminary feasibility studies have been carried out by UK's John Taylor & Sons, to date no consultant has been appointed and again the project has been held up by lack of funding. However, this project too may well attract an ECGD loan. A masterplan for the capital area sewerage system is also under consideration and both projects are of sufficient urgency that they will be included in the next Five Year Development Plan.

SHI to commence is the OR 100m Mina Qaboos Port Extension, now in the detail design stage. However, bids have now been received for a site investigation contract which will enable the consultants, Maunsell & Partners to draw up detailed designs for the extension which includes a 1,000m breakerwater, a 600m container berth and ground levelling for a container terminal. The main construction contract is not likely to go out before the end of the year.

Naval base
Negotiations are also in hand with West Germany's Hochtief and Joannou & Paraskevades (Oman) for further work at Wudam naval base which will eventually serve Oman's navy in preference to Muscat harbour. The work which will include a training school, on-shore facilities and slipways will cost in the region of OR 50m and completion is due in 1988.

Other proposals being discussed for inclusion in the next Five Year Plan, commencing in 1986, include an ambitious improvement plan to turn the existing stum area of South Ruwi near Muscat and Hamra into a modern community. Proposals include a new dual carriageway from Bamriya roundabout to Wadi Kabir, multi-storey car parks, extensive landscaping and the provision of essential services.

Many of the major road projects were completed in time for National Day at the end of last year, including the OR 19.5m Qurum-to-Darizat bypass and three flyovers at Wadi Adra Hamra and Ruwi roundabouts, which have considerably eased traffic congestion in and out of the capital area. A fourth flyover at Wateyeh is currently under construction. Designs for further flyovers on the dual carriageway between Qurum and Seeb Airport have been drawn up by Lebanon's Conser, and preliminary plans for a dual carriageway between Rusail and Niwa are being prepared by Athens-based Ghb, Petermauller and Partners.

In the Southern Region an extensive mountain road network designed by Canada's Conser and built by Oman Building and Contracting Company has

ben completed and plans are now being drawn up by Maty's Consultants to run 85 km road linking the coastal villages of Mirbat, Jufa, Soth and Had-been.

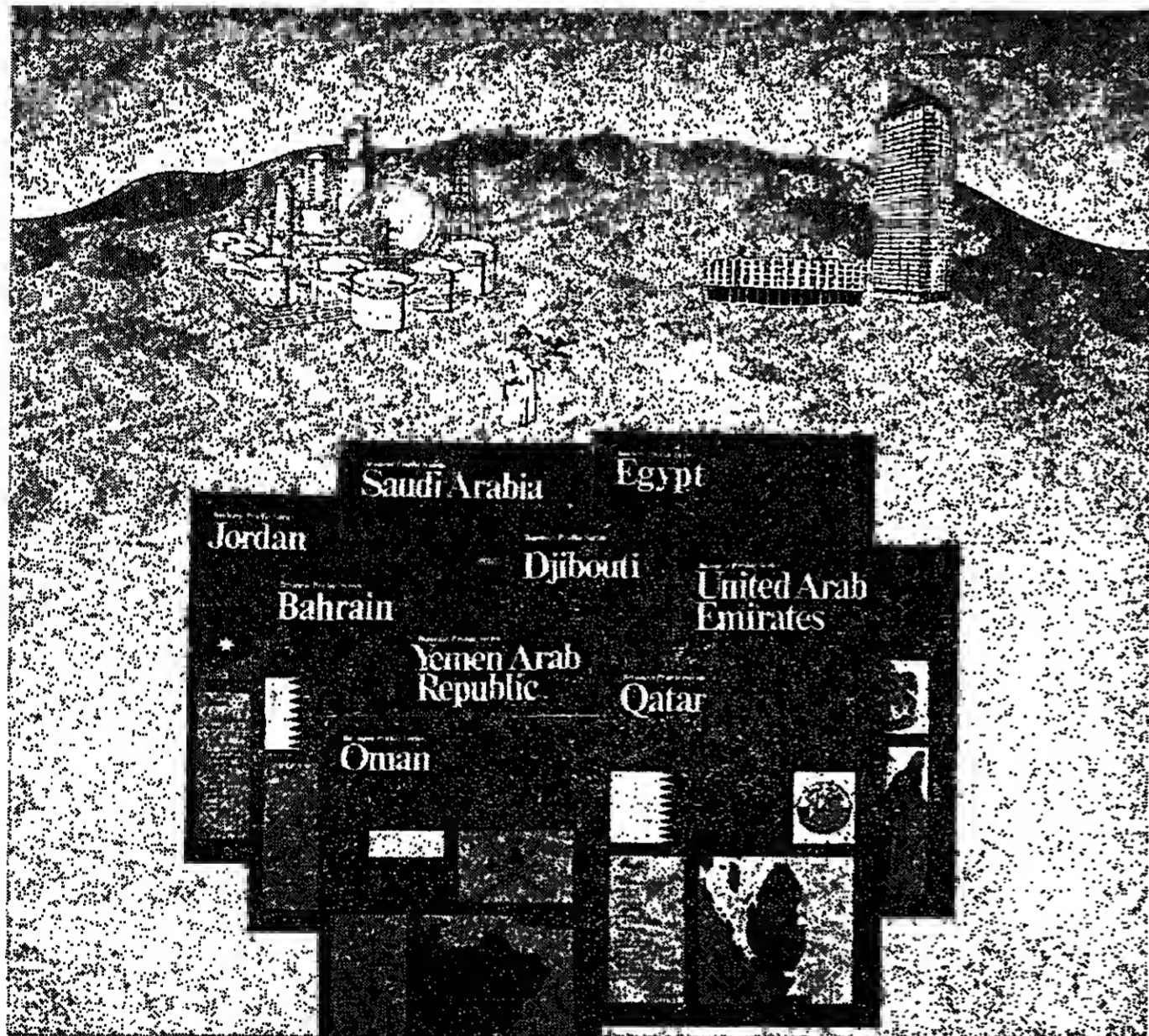
Out to tender is Phase 1 of the OR 50m road contract from Muscat to Dhakut. Designs for this road, which covers extremely difficult terrain, have been drawn up in three phases by UK's Mannell and Partners.

Phase 1 of the OR 20m Rusail Industrial Estate which entailed laying an infrastructure of roads, water, electricity and telephones over an area of 45 hectares is now complete, and already a number of plots have been allocated. Plans for Phases 2 and 3 are being prepared by UK's Turner Wright and Partners and it is envisaged that by 1988 the estate will cover 90 hectares. If the success of the project continues, it is possible that a second industrial estate may be built in the Sohar area. An industrial area in the Southern Region already exists at Taywan, and plans are under way to establish a heavy industries centre there.

Although most of the larger infrastructure projects within the current Five Year Plan are either well underway or have been completed, there are still enough smaller projects to keep most of the contractors busy until the end of the plan period, although consulting engineers are finding that the limited amounts of design work are causing stiff competition.

Sub-contracts are still being awarded for many of the major projects — the university, the bank training centre and Al-Bastar village. In addition there are also a number of projects to be tendered this year which will attract medium sized local firms.

J.R.



Explore

If you're considering business in the Arab world, talk to The British Bank of the Middle East first. As part of the Hongkong Bank group, we have over a century's international banking experience in opening up new markets. Our Business Profiles on Arab countries, which come as a direct result of intimate market knowledge, are only

one example of the many specialist services that we provide. Today, with more than 1000 offices in 54 countries, concentrated in Asia, the Middle East, Europe and the Americas, the Hongkong Bank group gives you access to a complete range of financial services. The group's presence also extends to Saudi Arabia and Egypt, through its associate banks, The Saudi British Bank and Hongkong Egyptian Bank S.A.E. For a copy of the Business Profile that interests you, write to us at Box 64 G.P.O. Hong Kong, or any branch of The British Bank of the Middle East.

The British Bank of the Middle East

Bahrain Djibouti India Jordan Lebanon Oman Qatar Switzerland United Arab Emirates United Kingdom Yemen Arab Republic



London Branch: Palace House, 110 Cannon Street, London EC4A 3DF. Tel: 01-4934317 • 193 Southampton Road, London SW13 2LJ. Tel: 01-9614021A

Your key to Oman

Established 1866, W.J. Towell & Co. have developed a diversity of business activities and products including:

Mazda cars, Suzuki motorcycles, Auto parts, Car tyres and lubricants, Tools and hardware, Building materials, Perkin-Elmer computers, Shipping agents, Consumer products such as Unilever and even-estate agents.

Partnerships with international companies include: Taylor Woodrow—Towell and Matrah Cold Stores (Towell and also Spinneys Overseas)

W.J. TOWELL & CO. LLC
P.O. Box 7061 Muttrah - Muscat
Sultanate of Oman
EST: 1866 Tel: 734421/4, 772131

مكتبة الأصل

OMAN V

Output expanded to offset fall in prices

Oil

IT WAS oil which transformed Oman from a backward, isolated country into a modern state, and it remains the source of nearly all the nation's wealth.

Oil and hydrocarbons account for 96 per cent of exports and over 80 per cent of government revenues. Oil and oil-related activities account for 65 per cent of GDP.

Given this dependence, the past year should have been one of concern for Oman. The Opec price fell or was out from \$24 a barrel to \$29. The country is not a member of Opec or of Osepec, but it is a member of the Gulf Co-operation Council (GCC) and must be sensitive to the wishes of its fellow members, and in particular Saudi Arabia.

Oman has been selling its oil through a series of bilateral arrangements with growing evidence that oil companies are increasingly willing to buy oil from Oman.

Nevertheless it is doubtful whether Oman can go much below the \$28 figure it has reportedly been obtaining recently.

The country has been able to offset what amounts, at the \$28 figure, to a 20 per cent drop in prices by pushing up its output. It has been helped in this because it is not and probably never will be a major producer and its output does not seriously affect world levels.

Exploration

Production in 1981 was 330,000 b/d—indeed the second five-year plan was based on assumptions of production at this level and a price of \$28. Output moved up to 385,000 b/d in 1982 and towards the end of last year had reached 405,000 b/d, the production ceiling having been raised to 405,000 b/d.

Now Oman is producing 400,000 b/d and could go up to 420,000 b/d or 450,000 b/d without seriously depleting reserves estimated at between 300 and 400 barrels.

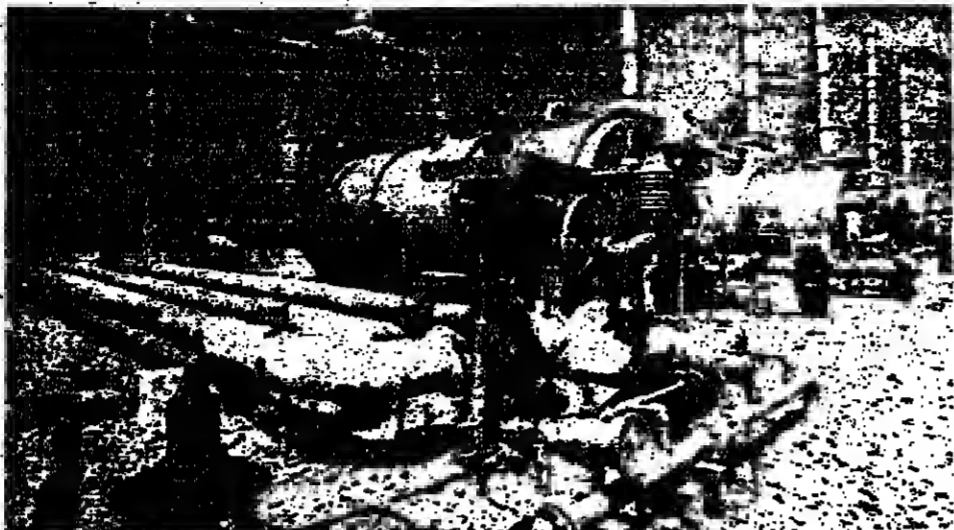
The ability to push up production this (even if the totals are still modest by the standards of other producers) is a sharp contrast with the gloom which existed six years ago.

Then, production was beginning to level off and Oman looked as if it faced an oilless future. Production finally peaked in 1980 at 282,000 b/d, and reserves seemed only good for 10 to 12 years.

The old complex of fields at Fahud in north central were running down. Oil had first been discovered there in the 1950s and exports began in 1967.

The Government launched an intensive exploration and production programme, however, and encouraged the oil companies in the country to do the same.

In 1980 a new complex of fields centred on Marzouq in the south in Dhofar province was brought on stream. The field



PDO's oil terminal at the Mina al Fahal where light and heavy crudes are mixed to give the Opec standard and are then exported.



and an Elf-led consortium, comprising Kuwait Petroleum Corporation, the International Energy Development Corporation and Sumitomo of Japan a 27,000 sq km concession at Salwa on the mainland across from Masirah Island.

Another Japanese oil consortium, Oman Japan Development Company, signed a production-sharing agreement for an offshore concession at Masirah Island and Japex Oil, another consortium, signed up the Waisina concession north of Salwa.

The other major foreign operators in Oman are a BP Agi Denimex Hispanoil group operating a concession in West Dhofar and Quintana Gulf Occidental Group in the Sunainah concession between Jebel Akhdar and the UAE.

In all there are at least ten concession areas being worked with around 30 foreign companies either on consortiums or working singly.

Besides the sums spent by PDO the other concessionaires in 1982 spent \$159.7m. The most recent discovery has been made in the Japex concession area. The Ministry of Petroleum has not yet revealed the possible amount except to confirm that there are commercial quantities and that it is light crude, perhaps 45 degrees API.

The most immediately exciting prospects are within the PDO areas in the central area of Oman. This year new finds at Zandiyah, possibly capable of producing 10,000 b/d are due to come on stream. In 1985 and 1986, new fields at Suwahat, Rasha, Barik and al-Ghubar are expected.

Later there is an exploration and development programme for the southern fields. Oman also has 6,000bn cubic feet of associated and non-associated gas. This, at present, is entirely used to power the main power stations in the north and the capital area.

It provides power for the copper project at Sohar now producing 1,000 tonnes of refined copper a month, the cement plant near Muscat and the new industrial estate at Rusail, just outside the capital area.

This year Oman oil refinery at Mina al Fahal, near Muscat, went into operation. With a capacity of 50,000 b/d it can cater for all Oman's domestic needs and will, in due course, represent a foreign exchange saving.

It now looks doubtful that the much-mooted 200,000 b/d refinery, conceived by pipeline to Saudi Arabia, and possibly sited in Salalah in the southern Dhofar province, will be built. The Bechtel Corporation is due to report soon, and the original idea was that the \$25m cost would be met by Saudi Arabia and other Gulf states.

The refinery would provide a useful hedge against any closing of the Straits of Hormuz. Both the Ministries of Finance and Petroleum have doubts about the viability of a refinery, although both are keen on a pipeline.

One pipeline that certainly is being built, or at least proved, is the existing internal pipeline. Much of the network is old and this has been one of the main obstacles to raising production much above 400,000 b/d. At a cost of \$200m a 30-in pipe is being built between Fahud and Nahadah, a 42-in pipe from Nahadah to High Point and a 38-in pipe from High Point down to the coast.

A second phase will include replacing 325 km of the main line and providing extra loops for places like Sahmah Qarn Alam and Nahadah pumping stations.

When work is finished, hopefully in 1986, the network should be able to carry 650,000 b/d.

Stewart Dalby

was actually discovered in the 1950s, but its crude was heavy, 22 API. The discovery in Dhofar province subsequently discouraged exploration.

Today, the fields around Marzouq—Qabari, Rahab, Birba and Amaka together with a clutch of fields slightly further north around Rima and Jabana produce something over 100,000 b/d. The heavy crude goes by pipeline up to Nahadah where it joins the main pipeline from Fahud.

It is mixed with lighter crudes to give the Opec standard 34-35 API and exported from the Mina al Fahal terminal near Muscat. The reservoir pressure is maintained by natural water drive. Secondary recovery is not

yet needed but could be used in the future.

The main oilfields around Fahud, Lekhair, Yibal and Nath have declined and now produce around 250,000 b/d. Secondary recovery techniques—mainly gas and water injection to maintain pressure, keep production up.

The fields are becoming more expensive to operate. But not too expensive, according to Said Ahmed Said al-Shanfari, the Minister of Petroleum and Minerals, to produce compared with \$20 for Britain's North Sea oil.

A further 50,000 b/d is produced from a group of central fields around Qarn Alam and Habur. All this production is in the main petroleum Development Oman (PDO) concession area of 128,500 sq km.

PDO is now owned 60 per cent by the Government, 20 per cent by Shell International, 4 per cent by Compagnie Francaise des Petroles (CFP-Total) and 2 per cent by Parlex.

Until 1970 was reorganised in the mid-1970s, the Government had no equity interest in the concession granted to the operators. Now company policy is set by a nine-man board, five of whom are Omani.

The Government gets 60 per cent of the oil and the companies take the rest. They are lightly taxed on their share of the oil. In practice the Government sells a lot of its oil back to Shell which has a management contract.

The only other group actually producing at the moment is Elf Aquitaine in partnership with Sumitomo and Wintershall. They have a light oil field, Sabana in the Subabul area of west central Oman.

Production started in November 1980 through a 95 km pipeline connecting the oilfield to the PDO pipeline. At present output is running at 10,000 b/d of light 40° API crude. This makes up the 400,000 b/d production level.

Carve-up

The Elf agreement and those with other concessionaires are on a production sharing basis whereby the concessionaire bears the costs of exploration and production development. There is a provision for the recovery of the costs from a portion of the ultimate sales revenues (maximum 40 per cent).

The remaining major portion of the revenue is then shared between the Government and the concessionaire. The Government's share under these agreements is usually 80 to 85 per cent.

The most recent carve-up of concessions was in 1981 when PDO relinquished five areas. Amoco took a 49,000 sq km block in the north Oman moun-



Spanning the globe in serving the Sultanate

- Divisions cover: Agriculture, Electronics, Marine, Motors, Technical Trading. Subsidiaries include: Douglas OHI LLC, Hydromatic Construction Co. LLC, Ibn Sina Pharmacy LLC, Phoenix LLC, OHI Telecommunications LLC. Associated Companies: Oman Deutag Drilling Co. Ltd., Benzeria Design Centre LLC, Eihab Travels LLC, OSCO Imports & Marketing LLC, Nirwa & Ruwi Hotels. Affiliates: Alshom Atlantique, Dresser Magobar, Mitsubishi Corp., Royal Insurance plc, Global Marine Drilling Co.

OHI Oman Holdings International LLC P.O. Box 889, Muscat, Sultanate of Oman Telephone: 702666 - Telex: 3398 AMMAR ON, 3168 AMMAR ON O.H.I. (U.K.) Limited High Holborn House, 52/54 High Holborn, London WC1V 6RU, U.K.

Our associates include the best in the world.

Grindlays - your banking connection...

Strength on the ground and experience are essential for a successful international banking connection.

In the Middle East, Grindlays has over 40 branches and more than 50 years experience.

Just contact Grindlays in London, Düsseldorf, Geneva, Madrid, Paris, Zurich and in 33 countries around the world for your banking connection with the Middle East.

...with the Middle East



London: Grindlays Bank plc Minerva House, Montague Close, SE1 9DH Tel: 01-626 0545. Telex: 885043/6 GRNDLY G

Oman: Grindlays Bank plc Office of the General Manager, PO Box 3550 Ruwi Tel: 703013. Telex: 3393/3219 GRNDLY MB

Other branches in Oman at: Muscat, Matrah, Salalah and Seeb.

Branches and offices in:- Australia, Austria, Bahamas, Bahrain, Bangladesh, Brazil, Canada, Colombia, England, France, Germany, Ghana, Greece, Hong Kong, India, Indonesia, Iran, Japan, Jersey, Jordan, Kenya, Republic of Korea, Malaysia, Mexico, Monaco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Scotland, Singapore, Spain, Sri Lanka, Switzerland, Taiwan, Uganda, United Arab Emirates, United States of America, Zaire, Zambia, Zimbabwe



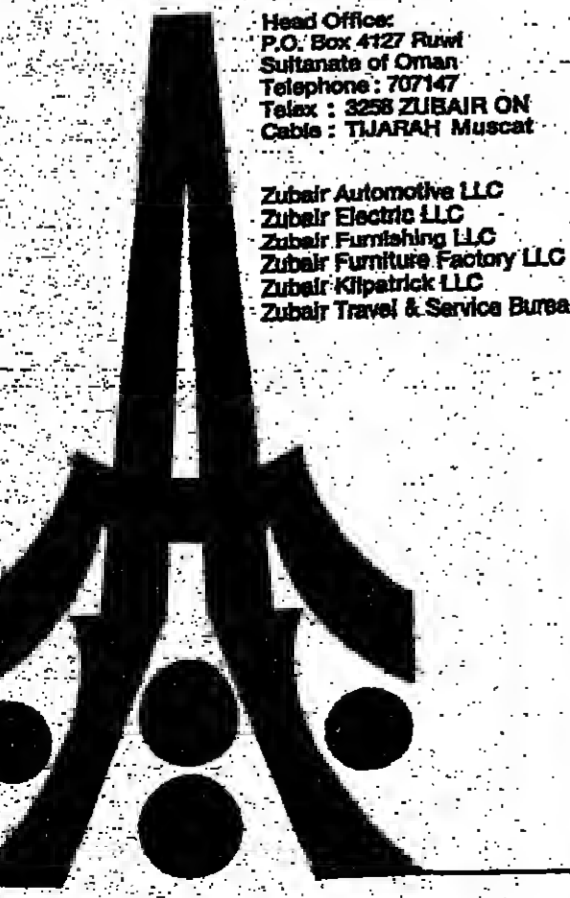
For Strong Connections in Oman

مؤسسة الزبير ZUBAIR ENTERPRISES

- Agency representation, Joint ventures, Trading, Manufacturing

Head Office: P.O. Box 4127 Ruwi Sultanate of Oman Telephone: 707147 Telex: 3255 ZUBAIR ON Cable: TJARAH Muscat

- Zubair Automotive LLC, Zubair Electric LLC, Zubair Furnishing LLC, Zubair Furniture Factory LLC, Zubair Klipatrick LLC, Zubair Travel & Service Bureau



lay March 13 1984, intact, Your key Oman, N.J. Towell & Co. Inc., TOWELL O. LLC

OHI Advertising

OMAN VI

Bell tolls for endless engaged tones

Telephone system

IT IS easy to become frustrated with the endless engaged tones on the line when one tries to telephone Muscat during business hours but it is important to remember that most of Oman's telephone network was only installed during

the early 1970s and that the city itself has changed out of all recognition from a sleepy town to a thriving business community of over 250,000 people. With the rapid development in the requirement for better communications, the general telecommunications organisation (GTO) appointed Norway's Norconsult to plan a scheme that would completely modernise Oman's telephone system and put it on a par with the most modern system existing anywhere in the world. Norconsult's improvements were outlined in four contracts

The first one included new exchanges and lines for the capital area, the second long distance links from Firq, near Niwaa, to Salalah and Firq to Ibril. The third covers the new telecommunications centre and the fourth the upgrading of the existing trunk cable from the capital area to Firq. The first two contracts were awarded to West Germany's Siemens at a total cost of OR \$1.4m (\$90.9m) and are due for completion by October this year. Existing exchanges within the capital area are to be replaced with a digital tele-

phone switching system which has recently been described as a "leap in technology" and will completely modernise the telephone system. In addition a further 11 new exchanges are to be installed which will be connected by microwave links and underground cables. A number of coaxial cables are being upgraded to carry up to 115,000 telephone lines. Two new coaxial pulse code modulated cables are being installed from Muscat to the Al Bustan Hotel complex which is being constructed for the Gulf Co-operation Council summit tentatively scheduled for 1985.

Computer and other data systems can be linked into the new telecommunications system and GTO has recently ordered 40 Rapicom facsimile machines able to send documents via telephone within 20 seconds, which will be installed at post offices. In the region of 15,000 new telex lines have also recently been installed. The fourth contract to upgrade the existing trunk cable from the capital area to Firq was won by Sweden's Ericsson which installed the original network. The OR \$1.1m contract upgrades the cable which carries 2,700 telephone lines and a TV and radio channel to carry 3,900 lines. A further contract has been awarded to Ericsson for inter-connection to equipment with existing exchanges with the new electronic systems.

A repeater station has been constructed at Firq and a second at Rusail by Douglas OHI which is also constructing the new telecommunications centre. The Rusail repeater station will serve the new university and the Rusail industrial estate.

Direct dialling

The long distance routes from Firq to Salalah and Firq to Ibril which make up the second contract are well under way and include 1,000 km of microwave links. Direct dialling to Salalah initially provide 12,000 lines but can be expanded to 100,000. A OR 122,929 (\$355,697) contract was awarded in January to Oman Holdings International (OHI) telecommunications to extend ship-to-shore communications from the Wartayah coast station, via Sohar and Khasab. The capital's Hajor satellite station has recently been upgraded and a contract awarded to Italy's Societab Telecomunicazione Spaciale (STS) to include a dish to allow national services to be carried by Arabsat, and a station and exchange for Masirah.

The nerve centre of the telecommunications network is the telecommunications centre, an impressive fortress-like building adjacent to the GTO building in Greater Muscat. Construction of the building by British-Omani company Douglas OHI has been extremely rapid using the slipform technique of shuttering which was also used once before in Oman to build the Mina Qaboos grain silo. The 70-metre central tower only took two weeks to construct, rising at a foot an hour and the four surrounding towers were constructed in a week each. The central tower will be handed over to Siemens, which is installing the telecommunications equipment, in two weeks and when fitted with antennae will rise to a height of 98 metres—the tallest building in Oman. The four surrounding towers will house air conditioning and lifts.

Apart from the four major contracts a number of other projects are listed within the GTO capital budget of OR \$8.5m (\$235m) for the 1981-85 second five-year plan. Local company Al Fajruz Trading and Contracting has recently been awarded a OR 3.3m contract, due for completion in six months, to install three telephone exchanges in Salalah which will initially provide 12,000 lines but can be expanded to 100,000. A OR 122,929 (\$355,697) contract was awarded in January to Oman Holdings International (OHI) telecommunications to extend ship-to-shore communications from the Wartayah coast station, via Sohar and Khasab. The capital's Hajor satellite station has recently been upgraded and a contract awarded to Italy's Societab Telecomunicazione Spaciale (STS) to include a dish to allow national services to be carried by Arabsat, and a station and exchange for Masirah.

Another interesting project concerns a network of mobile telephones for use in vehicles with repeater stations throughout the country.

Monitor

The Ministry of Posts, Telegraphs and Telecommunications has also drawn up detailed plans for the installation of frequency monitoring stations throughout the Sultanate which will monitor all emissions and ensure that licensed operators are using their registered frequencies. The plan includes mobile monitoring stations and direction finding vans as a back up to ground stations. The first of which could go into operation by April this year.

Another interesting project concerns a network of mobile telephones for use in vehicles with repeater stations throughout the country.

Jennifer Robb

Aiming for food self-sufficiency

OMAN'S second five year plan 1981-85 estimates that there are a total of 41,024 hectares of land under cultivation. Of this 49.2 per cent was under date cultivation. Some 5 per cent was lines, 4.6 per cent vegetables and 15.6 per cent others. In terms of livestock in 1980 there were 1.2m goats, 138,000 sheep, 318,000 cows. There are no precise figures for how much food Oman imports but the Ministry of Finance estimates that Oman is 60 per cent self-sufficient in food. Its main food imports are wheat, rice and other cereals. Oman does, however, export food. The plan says that farm produce and fish were worth

about OR 40m (\$60m) in 1981 about 10 per cent higher than the figure for 1980. Approximately OR 5m worth of these products was exported, mostly dates, honey, fruit, fish and vegetables. The figure is rough, because some food was cross-border trade where there are no customs posts. In the Musandam peninsula, for example, where the 15,000 population depend on fishing for a livelihood, most of the fish is sold across the border in the UAE. The hope is that Oman can become not only self-sufficient in food by the end of the Plan period but also that it can significantly increase exports. Total development expendi-

ture on agriculture and fisheries until 1985 is estimated at OR 110m, five times the amount spent on developing this sector in the first five year Plan. Of this OR 45m is for agriculture, OR 25m for fisheries but the remainder for administrative construction. It is not known how much more land could be brought under cultivation. One recent survey suggested that depending on water supplies the acreage could be doubled to 80,000 hectares. This would not be sufficient with present production techniques to make the country self-sufficient in food. But there are great hopes for increasing production. S.D.

Urgent need to raise level of skills

Agriculture

TRADITIONAL agriculture in Oman was very slow in changing. The farmers and the rural communities of which they formed a part had an inherited understanding of the value and fragility of local resources and a long-term and naturally conservationist attitude to their usage. One sees this, for example, in the prohibitions against felling wild trees or in the communal maintenance of the falajes and, in the Dhofar mountains, in the annual crola and the tribal distribution of cattle grazing rights. Conservation was an integral part of land/water development and usage.

Similarly, conflict between the aims of modern agricultural development and the aims of conservation should not exist; development is only achieved when it is sustainable in the longer term and for the common good; conservation is controlled development (not lack of change), and should also sustain development in the longer term for the common good. Yet conflict does exist and may be viewed primarily as one of time-scale; developers are often constrained by financial or policy circumstances to seek rapid visible change, while conservationists have their minds on the well-being of future generations and the resources for their usage.

But apart from the question of time-scale, attitudes to resources are markedly affected by the degree of dependence on them. When livelihood—and life itself—depends on the falaj running or the rangeland being maintained in good heart, then fear of disaster due to abuse of the system concentrates people's minds on maintaining it in good order. Oil has changed all this—although relative to Oman's agricultural time-scale it is a very transient phenomenon. Not only has oil changed radically the apparent value of almost every aspect of Omani life, economic and social, the changes are constantly, rapidly and unpredictably altering, making it impossible to settle into a new long-term understanding of the correct balance between conservation and development.

Oil has also, albeit temporarily, largely removed that degree of dependence on rural resources which, as noted above, has always focussed men's minds on the need to "conserve" them. Only a small proportion of rural wealth is being generated from within the villages today and therefore the visible change, as economic entities, are in danger of becoming irrelevant. There is far less local concern that the over-exploitation of resources to supply short-term needs might have very harmful long-term consequences.

One might imagine, however, given the oil scenario, that a natural conservation would be taking place born of a decline in farming. That this is not the case is partly because oil wealth has permitted all classes of farmer, from large to small, to indulge in non profit-making "hobby" farming and partly because it has brought in new economic and modern technology, notably the tractor and the medium lift pump, which has taken away the "sweated" labour aspect of Omani farming but of whose long-term consequences nobody is sure—least of all the small farmers who use it.

The government of Oman is acutely aware of the development/conservation conflict. It is typical that the country should have hosted, in September 1982, an IUCN-backed international conference to examine these questions as they relate to Dhofar and its unique mountain grasslands, which are annually regenerated by a relatively dependable monsoonal "drizzle" lasting from June to September. The stability of the indigenous cattle pastoralist culture is dependent on the monsoon but has been profoundly affected by the Jebel war (which ended in 1975) and its aftermath.

In recent years the government naturally anxious to rehabilitate the area, and with the by-products of the Oman flour mill newly available, has provided subsidised pelleted foodstuffs to the cattle owners. This assistance has helped overcome the problem of food

shortage at the end of the dry season (the Government to be increased by the price and scarcity of local sardines) but so effective has the assistance been that cows are now calving successfully each year. In consequence, it is estimated, the number of cattle has risen from under 10,000 in 1975 to over 70,000 (or more) today—all living on only 70,000 hectares of unique and fragile rangeland.

What is to be done? On the one hand the pastoralists, men who know the names and values of every species of plant on the Jebel, are well-aware of the dangers. But because they are not as dependent on these resources as they were (large sums of money unconnected with local production are flowing into the Jebel, and imported goods are replacing in the homes goods of local manufacture) they have allowed the present situation to develop in the hope of obtaining very high prices for their cattle. It is to be hoped that new marketing agencies (OR 1.5 per cent weight) will at least remove the excess cattle from the Jebel and ensure the survival of the rangeland.

Elsewhere in Oman water is perhaps the principal resource under threat. One of the problems is that the first soil/water surveys were only initiated a decade ago. Moreover, only much more recently has the Public Authority for Water Resources been in a position to expand its own research and its co-ordinating role for the various groups conducting water resource surveys in different regions of Oman.

But to make candid statements about regional water balances, statements that will be accepted by all interested parties, will clearly take a longer period, not least because the irregular periodicity of Oman's rainfall makes the reliable estimation of renewable water resources a long-term programme. The work continues—in 1984, for example, a new series of water/soil surveys will be conducted in northern Oman. But meanwhile, for the underlying reasons given above, new wells are being dug and deepened, and powerful pumps are installed in them.

But the conservation and development issues strike also at the structure of the agricultural industry itself. Will it

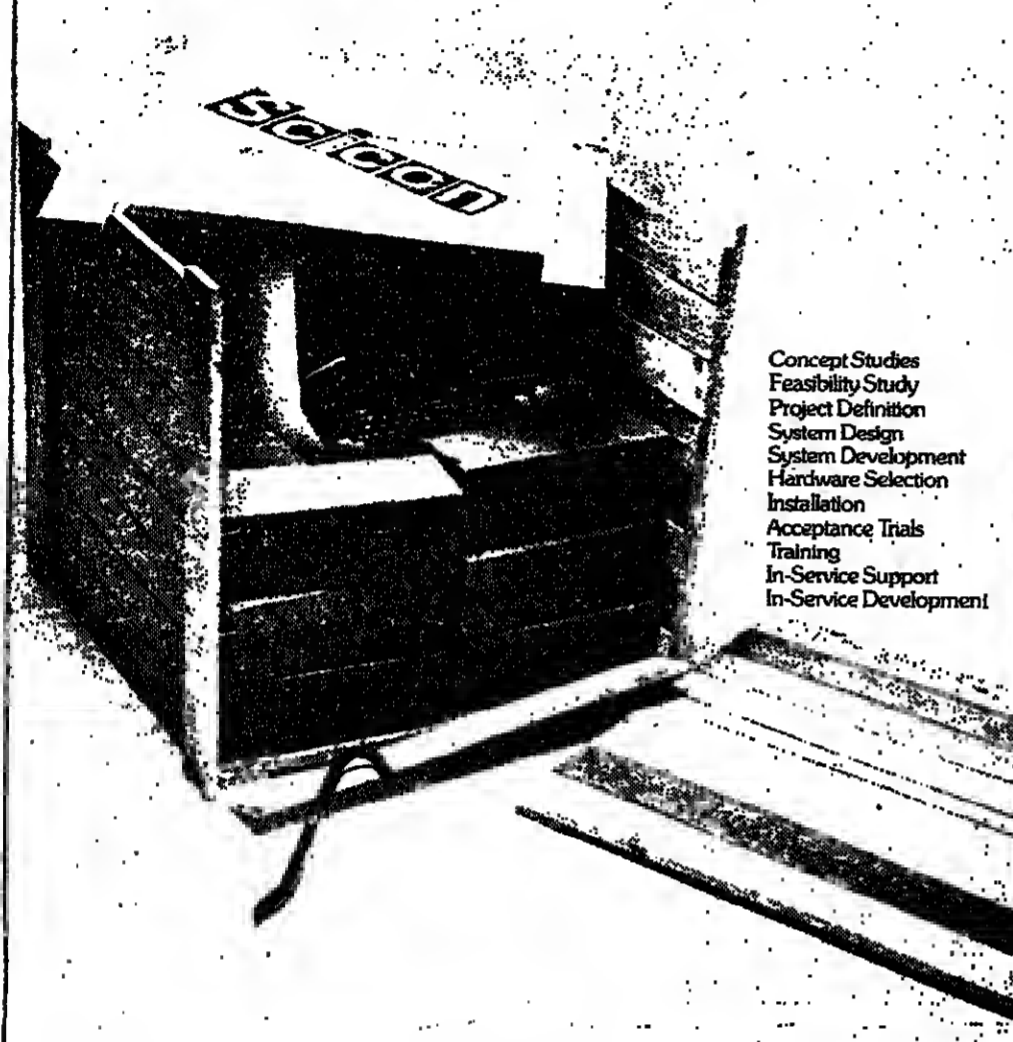
prove logistically and financially possible for the Government to "conserve" the many thousands of small farmers and to "develop" their skills to the point where they are maximising production per unit of land and water, production geared to the consumer food demands of the 1990s—in some respects very different from that of pre-Oman?

This is a dauntingly difficult task for the Ministry of Agriculture—far harder than the development work facing any other Ministry in Oman. It also involves very sensitive issues. What, for example, does one do with the Betina date gardens which, in total, consume large volumes of water and occupy 70-80 per cent of the cropped land, yet produce low yields of poor quality in ever-decreasing demand?

Not only are the farmers psychologically wedded to the palms, there are very few other remunerative crop systems that fit within their present level of competence and their have no knowledge of crop systems which require the sophisticated irrigation/land use techniques demanded by the need to conserve water. Should Oman, therefore, squeeze its small producers and concentrate on the needs of the small but growing number of larger farm units? These units have more capital, can import skilled management and are generally free of date palms. They could also produce the bulk of Oman's demand for eggs, poultry, milk, vegetables and water melons. Yet to squeeze the smaller farmers would impose obvious social problems and it should be possible to channel the energy of at least some of them into other production systems—for example livestock or tree crops. But the level of skill must be developed rapidly; otherwise Oman may be forced into retraction in order to conserve water, as in the neighbouring UAE. This is a policy which might appeal to the growing urban market because it would mean continuing free access to cheap food imports but it would be essentially a failure to recreate, in a modern context, Oman's true rural development and conservation: are we and the same thing?

Roderic Dutton

The Complete System Package



- Concept Studies
- Feasibility Study
- Project Definition
- System Design
- System Development
- Hardware Selection
- Installation
- Acceptance Trials
- Training
- In-Service Support
- In-Service Development

Scicon has been providing the complete system package since 1960. Every module is a complete and precise service created by some of the leading experts in the field and incorporating the most advanced techniques, some of which are unique to Scicon. This service is backed by vast in-house computer power that is used both for the development of software and in the formulation of the studies.

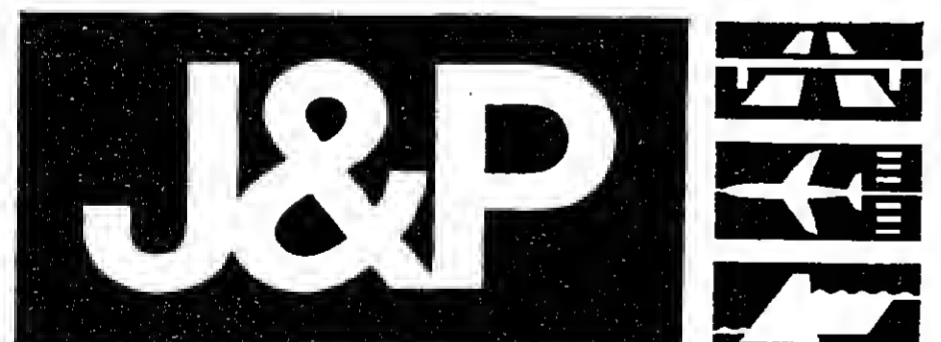
When you think of a computer, think of the system and the supplier that can provide the complete package.

Scicon
PO Box 5572
Ruwi
Muscat
Sultanate of Oman
Telephone: 603-834

Scicon Limited
49 Berners Street
London W1P 4AQ
Telephone: 01-580 5599
Telex: 24293 SCICON G

Scicon

Builders of Oman



The Company that looks to the future

J&P (Oman) L.L.C.
Joannou & Paraskevaides
(Overseas) Limited
BUILDING AND CIVIL
ENGINEERING CONTRACTORS

P.O. Box No. 603 MUSCAT — OMAN
Telex: 3242 JAYNPE MB Tele: 5 Lines 610200

Fisheries

UNLIKE agriculture, where there are doubts and uncertainties about increasing output and achieving self-sufficiency, the prospects for fishing are clearly good.

The total catch is put at 60,000 tonnes a year. However, recent surveys suggest that there is a stock of 300,000 tonnes of demersal (bottom feeding) fish, which would allow a total annual catch of 300,000 tonnes without seriously depleting stocks.

The main species found in Omani waters are rock cod, snapper and cuttlefish. The stock of pelagic (non-bottom feeding fish) is more difficult to ascertain, but the present catch of 40,000 tonnes a year of sardines indicates that a much higher yield is possible. Various studies suggest that there are large quantities of fish such as yellow fin tuna, anchovy and kingfish.

Soma 11 to 45 tonnes of lobsters could be caught a year while large quantities of abalone are found in the waters of the south. Oysters grow freely along the rocky parts of coastline, and as yet are not commercially exploited at all.

There are possibly 7,000 to 8,000 fishermen, most of whom have modest outboard craft, or even sailing fishing boats.

The Oman National Fisheries Company was set up in 1980 to enable fishing to be carried out on a larger scale. The company, 60 per cent owned by private investors, 20 per cent owned by the government and 20 per cent by individual fishermen, operates four trawlers. In 1981, it is believed to have made a profit of OR 800,000 (£1.6m).

The company runs the Muttrah Fishing complex, which consists of fish processing, on the plant and large freezing and cold storage facilities. The government has also been

involved in joint ventures with foreign concerns. First there was an agreement with a New Zealand concern, although this was largely confined to surveys and exploration. Between 1975 and 1977, the government operated an agreement with a Japanese consortium. This was taken over by the Korean Overseas Fishing Company.

The idea was that Oman would get 30 per cent of the catch. Since the Koreans have been hauling less than 10,000 tonnes a year and this has been below expectations, there is a question mark over the future for joint ventures.

The poorer than expected showing by the Koreans has, in part, led the Omanis to believe that they are perhaps not quite ready for large scale deep sea fishing within their 200 mile zone. As one minister put it: "We do not have the manpower or the expertise to run a large deep sea fleet."

Despite the success of the Oman National Company, the emphasis during the rest of the second five year plan will probably be on the small fisherman to try to increase productivity.

The Oman Agriculture and Fisheries Bank was set up three years ago specifically to provide loans for equipment to farmers and small fishermen. Fishermen can obtain grants of up to two-thirds of the cost of the equipment. A total of about 500 boats and 2,000 outboard motors have been supplied through the bank.

The other aspect of fisheries development is the Government's setting up and promotion of processing and cold storage around the country. There are now 13 such centres, with facilities ranging from cold storage to an ability to process and treat the fish.

Some experts feel there is plenty of scope for downstream activities such as canning and fishmeal manufacture. The Government, however, does not feel it is quite ready for this.

Stewart Dalby

Handwritten text in Arabic script at the bottom of the page.

Careful watch on pace of development

Tourism

SPECTACULAR mountains, a rugged coastline, long white sandy beaches and an ancient heritage combine with forts and castles make Oman one of the most desirable countries in the region for the tourist industry. Yet much of the country's charm is due to its having been spared mass tourism.

Oman's tourism authorities are strict and visitors require a sponsor resident in Oman who will assume the necessary "No Objection Certificate" for their entry. The official government point of view is that Oman lacks the infrastructure of hotels, restaurants and transport for large numbers of tourists. Of equal importance, however, is the feeling that the intrusion of tourists could spoil both places and people by imposing different values on a sheltered society that until 1970 was untouched by the modern world.

When it is agreed, should be introduced gradually with carefully organised tours along specific routes. In line with this policy the first tour operator, a partnership of London, brought in two groups of 14 "exclusive visitors", led by the wife of a former British Ambassador to Oman, for nine days in February and November 1983, and early this year. The tours were sponsored by £2,500 per person—largely because of the very high cost of airfares and visas.

A feasibility survey on tourism was carried out some years ago for the government by Consultant, followed by a detailed two-year study prepared by Damish Shandani Oax. The study looked at the possibility of both international and local tourism and divided the country into a number of potential tourism zones, each one incorporating a tourism centre with 50-room hotel,

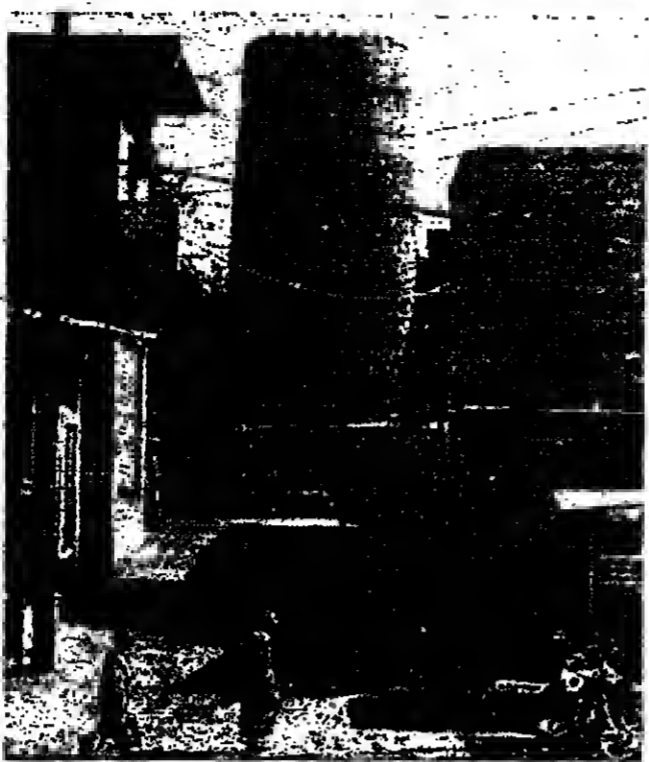
swimming pool, four-wheel drive vehicle hire facilities and in some areas mountain lodges and points for trekking.

The capital area alone has many points of interest to visit. Muscat harbour is the most picturesque and deepest natural harbour in Arabia, guarded on either side by the Portuguese Forts Mirani and Adali, once Muscat's prison. Between the two stands the magnificent new Palace and the British Embassy. Within the old town a number of fine houses of traditional Omani architecture still survive—Bait Frans, Bait Abbas, Bait Shihab, Bait Graza and Bait Nadir, which is now an excellent museum. The National Museum at Qurum also holds a wealth of information about Oman.

Along the coast from Muscat the Dahwa Leisure Centre, designed by Consult and built by Douglas OHL, is due for completion at the end of March. The centre will be run by the Ruwi Hotel and includes a 100-seat seafood restaurant, a cafeteria, a rooftop terrace and a marina of 10 to 15 berths.

The capital area already has four international hotels—the government-owned Muscat International, which received the Gulf Travel Trade Hotel of the Year Award for 1983 and has 308 rooms; the Gulf which is smaller with 100 rooms but with very good facilities; the Ruwi in the heart of the business district with 100 rooms and a 100-room extension about to come under construction; and the Al Felaj with 150 rooms which has recently added a sports club extension to include a glass-walled squash court, artificial grass tennis court and a gymnasium. There are also smaller hotels, the Mirnah with 57 rooms and the Minah in Muscat with 31 rooms.

Opening in March is the 177-room Novotel airport hotel and on the beach at Al-Rustan a luxury 204-room hotel and conference centre is opening for the 1984 GCC summit. Opening in 1985 will be the 450-room Sheraton Hotel in the Wadi Kabir.



The fort at Niwra—a favourite with tourists.

Already a weekend attraction for visitors from Muscat is Niwra, once the ancient capital of the interior, with its 17th century fort, fascinating souq and restful date palm plantations. The 20-room Niwra Motel, makes a useful base from which to explore surrounding picturesque villages.

Palace

South of Bahla lies the village of Jabrin, where there is a superb 17th century fortified palace which has been painstakingly restored and contains beautiful painted sandalwood ceilings. Situated on the hillside is Al-Hisam, with its charming covered souq where great pots of hafa, a local sweetmeat, are stirred over open fires.

An easy drive north west of Muscat, under the amber flank of the Hajjar Mountains, lies Rustaq, gateway to the valleys of the Jebel Akhdar, which has a large but crumbling fort and superb hot springs. En route one passes the massive early 19th century fort of Al-Hasa. Most major forts in Oman can be visited with a pass obtained from the Ministry of Heritage and Culture.

The opening of the Sohar Motel, another private sector venture due for completion in 18 months' time, will facilitate a weekend circuit through Niwra, Ibril, Buraimi and along

the Wadi Jizzi to Sohar, once a thriving sea port some 210 km west of Muscat.

In the eastern part of Oman, known as the Sharqiya, are the historic towns of Ibra and Sur on the coast. Along the road to Sur at Al-Mudairib, the Department of Tourism, part of the Ministry of Commerce and Industry, is building a 10-room resthouse including a 50-seat restaurant for local tourists. A further three resthouses with petrol stations and repair shops are being built along the 500 km highway from Muscat to Salalah at Ghuba, Al-Ghaffar and Wadi Qidit and will open in the spring.

The southern region Dhofar also has tourist potential particularly in late September/early October when the summer monsoon rains leave the mountains unbelievably green and lush, a startling contrast to the rest of Arabia. Long white sandy beaches fringed with coconut palms and the ancient ruins of Al-Baleed and Sumburan make Salalah well worth a visit.

Oman is without doubt a magnificent and fascinating country to visit and as long as the current tourism policy remains, those that are lucky enough to enter Oman have the unusual privilege of possessing from luxurious facilities in a totally unspoilt country.

Jennifer Robb

It is not known how much more land could be brought under cultivation. A recent survey suggested that the use of water supplies in agriculture could be increased to 80,000 hectares. This could not be sufficient to meet the country's requirements for food. But there are hopes for increasing productivity on agriculture.

Efficiency in agriculture is not sufficient to meet the country's requirements for food. But there are hopes for increasing productivity on agriculture.

Migrants continue to meet shortage

Labour

OMAN IS very short of labour, particularly in the growing needs of the "modern" sector of the economy. This ever-increasing urban labour demand, however, exists side by side with rural under-employment. Paradoxically, a significant part of the rural labour force is exported to the Gulf while a large and growing urban labour force is imported from the Indian sub-continent.

Rural under-employment is partly endemic but also partly the result of the relative and absolute decline in the incomes generated by a wide range of traditional rural productive industry—not only agriculture—as a side-effect of oil wealth. For decades men from the rural areas have migrated for work to what were the newly oil-rich Gulf states, starting in Bahrain but now mostly in the United Arab Emirates and Saudi Arabia. When Oman itself started to export oil in 1967, leading to urban development and the rapid expansion of the armed forces, the police and other service sector jobs,

there was a new labour migration from the rural areas—but this time within Oman.

It was estimated by Birks and Sinclair that 38,000 men were employed outside Oman in 1978, representing 23 per cent of the domestic labour force. Since then the number may have declined; a World Bank report estimated only 20,000 in 1980. Their departure has been associated with a decline in rural productive activity such as camel and goat herding, falg maintenance, the cultivation of wheat and rural crafts but their migration from their villages may be as much a consequence as cause of that decline.

Official statistics indicate a rise in migrant remittances, from O.R. 100 million in 1978 to O.R. 150 million in 1982. But it is likely that the true sums being passed back to the villages are far greater, from internal migrants, from cash in the pockets of migrant returnees at weekends (the UAE dirham is an acceptable currency in the souqs of northern Oman) and as goods purchased in the AUE and brought home.

Certainly very large (in total) sums of money have been invested in rural Oman over the past decade, not only in consumer durables and improved housing but also in shops, work shops and small businesses and in the primary industries of agriculture and fisheries. This investment has generated some new jobs in which must be added government service jobs in the growing number of town councils, police stations, health and social services and education.

Skilled

By 1985 there will therefore be a shortfall of over 8,000 technically qualified people and only 15 per cent skilled manual workers are likely to be Omani. Overall the non-Omani share of the labour force will have risen from 47 per cent in 1978 to 65 per cent in the modern sector (i.e. excluding most agriculture) the non-Omani share will rise above 70 per cent. Even more significant, most of the Omani 30 per cent is clustered in public administration, finance, services and trade, leaving the Omani share in manufacturing and construction at only 9 per cent.

Who will fill the labour gap? First and foremost, migrants. One branch of government, the Ministry of Education and Youth Affairs, with nearly 12,000 employees, had only 33 per cent Omani participation; almost all teachers are expatriates.

Remote

But while most of the government jobs have gone to Indians and Pakistanis who construct the new buildings, staff the shops, workshops and restaurants and are also to be found in even the remotest villages, on the land they occupy these positions partly because they have the necessary skills but also because they are cheap; they will work in rougher conditions for less money than an Omani. Omani need accept because he can still find a less taxing and more remunerative job by migrating from the village.

No census has been taken of the population, most of whom live in the rural areas. Various estimates have been made. One by the World Bank in 1980 gave 780,000 (equivalent in about 1980 today assuming a 3 per cent annual growth rate), of whom 160,000 were in the domestic labour force; 36,000 in the private modern sector, 25,000 in the public sector and the remainder rural and mainly traditional. Just under half the total population is under 15 years of age, so in the next 10-15 years many people will be entering the labour market

BANK OF OMAN BAHRAIN AND KUWAIT S.A.O.

In step with the future...

As one of the oldest Omani Banks, over the past nine years B.O.B.K. has demonstrated, year on year, consistent growth, as measured in terms of total assets, or profits.

A full-featured bank, B.O.B.K. is 51% Omani, with the balance being owned by the Bank of Bahrain & Kuwait B.S.C.

With a geographically diversified domestic branch network, and computerised operations, B.O.B.K. is the second largest Omani Bank today.

BANK OF OMAN BAHRAIN AND KUWAIT S.A.O.

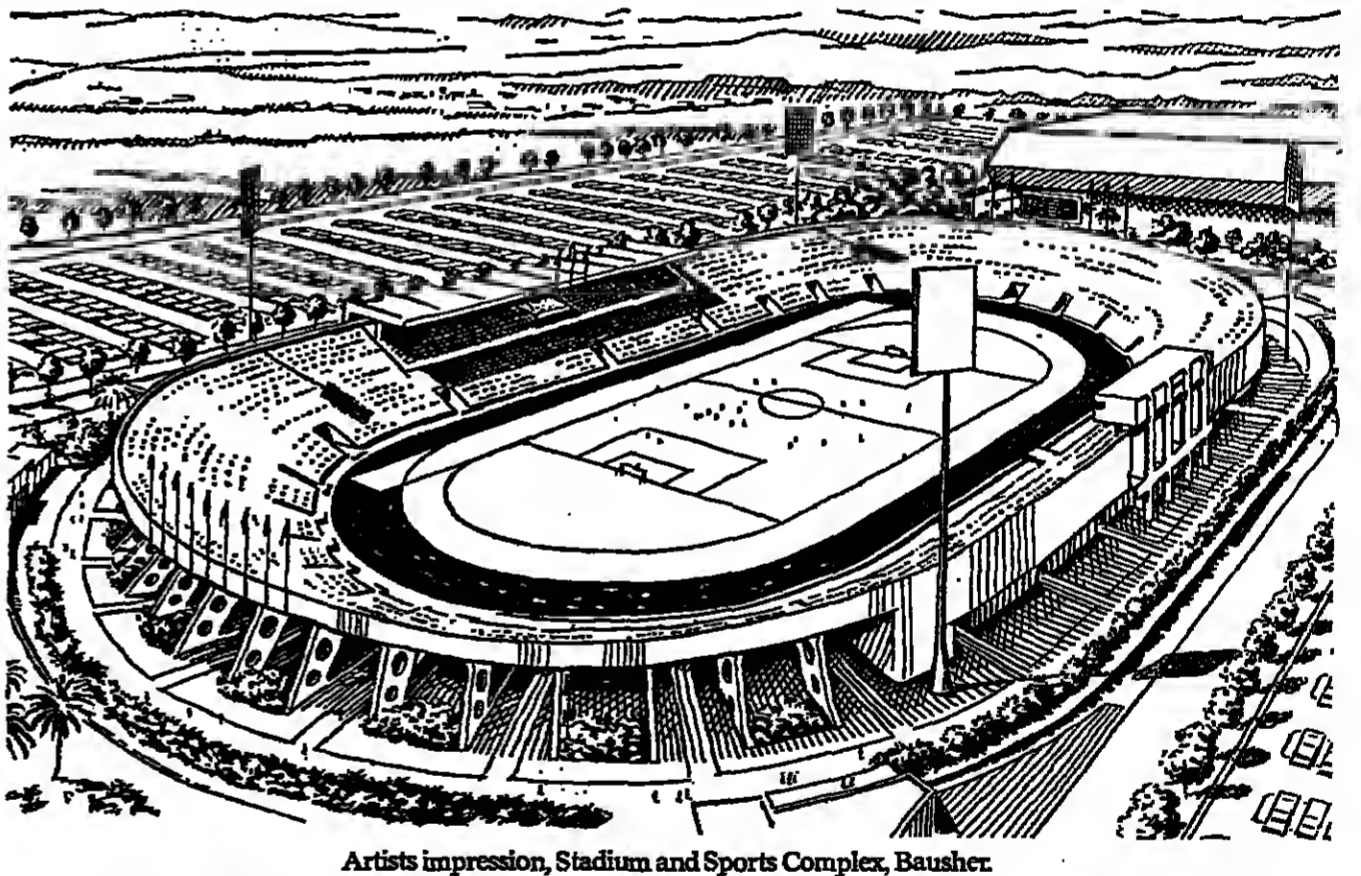
Head Office: 20984 Homs, P.O. Box 4708, Ruwi, Sultanate of Oman. Telephone: 703887. Management: 703887. General: 701502. Branches: Ruwi, Muscat, Muttrah, Wadi Kabir, Al Fahj Hotel, International Hotel, Bidaya, Suwaki, Saham, Sohar, Dibba Al-Bajra, Al Khoudh, Fusalil, Bika, Wadi Hattat and Salalah.

NATIONAL BANK OF OMAN LIMITED

NBO—National Bank of Oman is the first Omani Bank and the largest in the country. Our emphasis is on service, better service—in Oman and around the world.

Capital Funds Exceed	R.O.14,354,833
	U.S.\$41,629,016
Total Assets Exceed	R.O.291,718,767
	U.S.\$845,984,424
Branches in Oman	45
Branches Overseas	Abu Dhabi, UAE Alexandria and Cairo, Egypt
Affiliate of	Bank of America NT & SA & Bank of Credit and Commerce International

Head Office: P.O. Box 3751, Ruwi-Muscat, Sultanate of Oman
Telephone: 734411. Cables: Natbank. Telex: 5281 NBO ON



Working together for Oman.

For the past 15 years the Taylor Woodrow-Towell team of constructors, engineers and developers have been working together throughout Oman.

We are now building the 30,000 seat Stadium and Sports Complex at Bausher.

We're proud that our expertise and industry is contributing to the development of Oman, and look forward to continuing teamwork ventures in the future.

TAYLOR WOODROW-TOWELL
EXPERIENCE, EXPERTISE AND TEAMWORK

During that time we have worked on projects as diverse as marine facilities, communication projects, irrigation systems, housing, commercial and industrial buildings.

In Oman, please contact John Cox, OBE, Taylor Woodrow-Towell Co. (LLC), Dhofar House, Medina Qaboos (West), Muscat, Sultanate of Oman. Telephone: 603963/603966/603968. Telex: 5224 TAYROW ON.
In London, please contact Colin Clark, Taylor Woodrow International Ltd, Western House, Western Avenue, London, W51EU. Telephone: 01-997 6641. Telex: 23502 TAYINT G.

day March 13 1984

Efficiency

It is not known how much more land could be brought under cultivation. A recent survey suggested that the use of water supplies in agriculture could be increased to 80,000 hectares. This could not be sufficient to meet the country's requirements for food. But there are hopes for increasing productivity on agriculture.

raise

ills

prove logically and

possible for the

of "small farmers

"develop" their

point where they

and water; produc

to the consumer

of the 1980s—th

very different fr

of Oman.

This is a daunting

task for the Min

of culture—far

developmental

other Ministry

involves very

What, for exam

do with the Ba

which, in total,

volunteers of

70-80 per cent

land can reduce

poor quality in

demand.

Not only are th

psychologically

politic; there

remuneration

is within their

competence and

knowledge of th

of the agricul

irrigation/land

demanding by

the water.

Should Oman

concentrate on

small but grow

larger farm un

he have more

capital, or

divided manag

generally free

of it. They

could also be

bulk of Oman's

eggs, poultry,

and water mel

source the sm

would impose

problems and

able to charac

of some of th

production sys

example live

But the level

developed rap

Oman may be

in order to

water. As in

of all. This

to the

market beca

cheap food

essentially a

create, in a

Oman's true

and conserva

the same thi

Roderic

AL FALAJ HOTEL فندق الفلاج

WELCOME



TO MUSCAT

The only 4 star hotel with 5 star facilities (150 suites/rooms). Ideally situated in the Muscat business city centre. Next to embassies, ministries and within walking distance of the Oman Chamber of Commerce. Unique facilities comprising international tennis and squash courts, gymnasium, sauna, jacuzzi and massage parlour. The indoor 3 sided glass walled international squash stadium is the only one of its kind in the gulf.

P.O. BOX 5031 RUWI,
MUSCAT, SULTANATE OF OMAN
Cable: FALAJHOTEL. Tel: 702111. Telex: 3229
Gen. Man: A. C. Pappayannis

FILOD INTERNATIONAL

is the main contractor for the

SHERATON HOTEL
IN MUSCAT

(250 guest-rooms or suites,
22,500 sqm./75 levels)

Among the other main references:
the 700-room SHERATON HOTEL IN HELIOPOLIS
near CAIRO
the 350-room SHERATON HOTEL IN LAGOS (NIGERIA)
BAROON and MANSOUR COMMERCIAL CENTRES IN
SAUDI ARABIA (68,500 sqm)

FILOD GROUP FILOD
3 companies 58 rue Roger Salengro
2,200 people 94126 Fontenay-sous-
4 plants Bois Cedex (France)
1983 turnover Tel. (1) 874.12.15
about 1.8 billion FF Telex FCOMET 290 313 F

TURNKEY BUILDINGS 7 branches or agencies
WORK CAMPS in the Middle East
CURTAIN WALLING and in Africa
STEEL STRUCTURES FILOD
Oman House
Office 2A - 4th Floor
P.O. Box 7028 MUTTRAH
MUSCAT
Tel. 77-35-52 72-43-48
Telex 5411 CMF MUS ON

OMAN VIII

All eyes on the Straits of Hormuz

Defence

AS THE perceived threat to Oman has changed so have its defence priorities. The "sharp end" or front line in Oman's thinking now is the Masandum peninsula, and particularly Goat Island. This is an outpost of barren rock at the northern tip of the peninsula in the Straits of Hormuz.

Here, a Navy detachment led by a British commander keeps a 24-hour watch, not only on the shipping traffic through the Straits—at the widest point, depending on which islands you include, Oman is just 20 miles from Iran—but also on which shipping, both commercial and military, is going into Bandar Abbas, thought to be Iran's only properly functioning port.

The radar on Goat Island is linked to an unmanned radar station on Qoins Island which is closer to the middle of the Straits. Should Ayatollah Khomeini try to make good his threat to close the Straits, the radar would immediately pick up any untoward activity.

A picture of the Straits and the shipping lanes comes up on the screen. A lieutenant moves a circle over the dots, and immediately is given a readout on a computer of where the vessel is, how fast it is moving and in which direction.

The direction is important. Since 1979 Oman has policed the Straits under a firm

separation scheme. East to west traffic moves in the lane nearest Oman, west to east in the lane nearest Iran. Both lanes are in the 12 miles of territorial water claimed by Oman.

The radar does not tell exactly what the ships are; identification of the vessels is the job of the Oman Navy. At the moment, the navy consists of a province class ship, called the Dhoofar. This has a speed of 35 knots and can carry a cargo of six MM 40 Exocet missiles, with a range of 40 miles.

Two more Province class ships are on order, and there could be more to come.

Patrol boats

There are also six Bravo class patrol boats. These are 20 metres long, have 70 man and aircraft cabins and can carry 38 mm Exocets. They have the advantage of being able to move in and out of the many inlets around the Masandum peninsula. Only one of the Bravos is still being commanded by a British lieutenant-commander, the rest have been handed over to Oman in line with the Sultan's wish to Omanise the armed forces.

On only one occasion has an Iranian boat strayed into Omani waters and that was a navigational error. There is much talk that Iranian Phantom F4 aircraft have swooped low over Bravo ships giving the 30-man crews a fright, but Army and Navy spokesmen decline to confirm this.

A total of about 880 ships



Tank squadrons on parade on National Day.

west east to west through the Straits last December and 760 west to east. This means about 50 ships a day passed through and more than half of these would be oil tankers. It is now thought that between 20 and 25 per cent of the Western world's oil supplies come through the Straits.

Three of the Bravo vessels are on patrol in the Straits at any given time, forming the cutting edge of the Sultanate's

newest armed force, the Navy. There are something over 2,300 men in the Navy, and for the moment the commander is a seconded British rear-admiral. Eventually however, he will be an Oman subject.

In the past year Goat Island has received its first detachment of troops. The Army will not say how many men are there, but judging from the new barracks being built the total probably will be between 100

and 200. They could well be soldiers of the Sultan's special forces, modelled on Britain's SAS. Their purpose is as a deterrent against any commando raid that may be contemplated.

Behind this "sharp end" deployment is a very good small army, certainly acknowledged by its neighbours as the best small army in the region.

The Sultan's armed forces are best known for having won the guerrilla war in the southern province of Dhofar (1965-75).

The Army largely had British officers at the time, and included one of the most successful counter insurgency campaigns since the Second World War against raids from neighbouring South Yemen.

Today the Army has a standing force of 16,000 including eight infantry battalions. There is a southern brigade and a northern brigade. At any time three battalions (850 to 1,000 men) are on rotation in the south. Once the scene of intense military activity, the beautiful Jebel Qara mountains are notable for their wildlife and flora. There are still some 5,000 troops, mounted irregulars, on the Sultan's reserve.

There are also still about 500 British officers in Oman but the armed forces are slowly being Omanised. All the battalions now have Oman lieutenant-colonels in charge. The Sultan who himself was at Sandhurst military college, is Commander-in-Chief of the armed forces. Later this year the British commander of the Army, a second major general, is due to be replaced by Maj-Gen Nassef Hamad al Hadar.

The Army, primarily an infantry force in the insurgency days, has now been buttressed by artillery units which have arms that include 105mm and 150mm guns—some of them Chinese. There are also armoured units which include two squadrons of Chieftain

tanks (totaling about 80) and some smaller Scorpions. The Chieftains are replacing the older M60s.

While the Navy is the newest arm of the force, the role of the Air Force is being no less emphasized. Oman now has two squadrons of Jaguar fighter bombers, backed up by Raytheon ground-to-air surveillance and attack missiles. It is currently looking at a new generation of interceptors: jets to buy: Tornados, F16s and F18s.

The Air Force underlines the difficulties of increasing the numbers of Omanis in the forces. As weaponry and equipment become more complex, British advisers continue to be needed. However, Oman now has more than 30 Omani jet pilots.

Intrusive

The Oman armed forces have taken part in a number of exercises, with other states from the six-country Gulf Co-operation Council, and reports say they have acquired themselves well.

The Sultan admits that Oman by itself could not stop Iran trying to close the Straits of Hormuz, but however, over the years, he has been building up a rapid deployment force. Sultan Qaboos has declined to have U.S. bases in Oman, feeling that American troops would be too intrusive.

It is an open secret, however, that the U.S. has been making alterations, not only to Masah Island airbase but also to other air bases. At Khasab, in the Masandum peninsula, for example, there is now a former British runway, capable of handling C130, large transport aircraft.

It is all under wraps but it is thought that in the event of an emergency the rapid deployment force could operate in 48 hours.

Stewart Dalby

Impressive build-up of resources

Education and health

EDUCATION AND health were the two most pressing basic tasks to which Sultan Qaboos had to tackle when he took power from Sultan Said his father in 1970.

The statistics for schools and hospitals have almost entered Omani mythology. That there were only three primary schools and one proper hospital with 12 beds in Muscat in 1970 are facts which every visitor quickly becomes acquainted. The primary schools were for boys only and apart from quarantined schools were the only forms of schooling available.

Only those with families rich enough to afford it were able to obtain an education abroad.

Today there are 431 primary, preparatory and secondary schools with 138,170 pupils of

both sexes and nearly 7,000 teachers.

The second five-year plan (1981-85) seeks to provide at least a primary education free for every Omani child by the end of 1985. To achieve this another 140 schools will be built. At the moment it is estimated that primary education at least is reaching around 80 per cent of all the children who want it.

As for girls, who before 1970 received no formal education at all, it is estimated that they make up one third of total enrolment. The aim during the second plan period is to give equal opportunities for girls.

The two major problems in the early days of the programme was the need to get schooling started quickly. This resulted in classes being conducted in tents and in huts, with large classes and few amenities.

During the second plan period spending on education is budgeted at OR44m (\$16m). This includes new quarters for teachers and construction of administrative buildings. Of the total OR44m

THE GROWTH OF EDUCATION

	68/70	74/75	78/79	80/81	82/83
Schools	3	176	352	273	455
Pupils	909	49229	85927	109932	140583
Teachers	30	2115	3985	5131	6975
Average Teachers per school	10.0	12.0	11.0	13.8	14.5
Pupil-Teacher ratio	30.3	23.3	22.2	20.8	21.4

has been earmarked for the building and equipping of new schools and institutes.

It is estimated that 84 schools need to be rehoused and this task should be carried out by 1985.

The other main problem the country faced was that it was difficult to attract teachers to parts of the interior and it thus took time to spread education throughout the country. Because Oman started from scratch, it is hardly surprising that even today, more than 70 per cent of teachers are foreigners, mostly Egyptians.

With the building of an extensive road system and improved communications generally, getting teachers to go to isolated spots has become less of a problem.

Apart from building schools to ensure an education for the young, the Government holds literacy classes which are attended by more than 6,000 men and women. A further 5,000 study at adult education centres.

For those who are unable to attend these centres there is a free study at home programme.

The Government estimates that the literacy campaign is broad enough to cover all those who want to take advantage of it including farmers in the interior.

the Omanis have ready answers.

The Sultan is anxious that the students receive an education which is in keeping with their traditions and their culture. He wants to avoid the loneliness and isolation which can result in sending students abroad.

Second, the university is to teach only subjects which will be useful to Oman. Medicine will be a major faculty. An addition to the initial plans is for a 500-bed teaching hospital. Agriculture and fisheries will be stressed as well, and there are plans for small experimental farms and a larger 200-acre farm nearby.

Strong force

The other three faculties will be engineering education and Islamic studies. The annual intake of students will be headed by education and Islamic studies with 250 followed by engineering (100), agriculture and science (80 each) and medicine (72).

Sheikh Amer Al Amir, the old educationalist who once ran Zanibar's education system, is a strong force behind the university. He has admitted that there are worries about standards. He, along with the Sultan is anxious that standards are in line with western universities. To this end, the Sheikh has been in touch with Oxford University and has been receiving advice.

The aim is to establish a university of quality with international recognition.

Oman's achievements in health are no less impressive than those in education.

While there was only the one hospital with 12 beds in Muscat and nine health centres and 10 dispensaries, today the Ministry of Health operates 14 hospitals and 19 health centres with a total of 2,000 beds. This gives a ratio of one bed to every 750 of the population (the Ministry works on the basis of a population of 1.5m). This compares favourably with the figure in most western countries, the Ministry of Health claims.

In addition the Ministry operates 62 dispensaries, six small health centres and four maternity clinics. Some 20 mobile medical teams serve people living in remote areas. The Ministry also maintains 15 public health centres and 46 public health units.

The Ministry has chalked up some conspicuous successes in preventive fields. Malaria control measures are being applied progressively to cover the entire country by the end of 1985.

In the case of trachoma, the eye disease which can cause blindness and which has been called the scourge of the Middle East, there has been great progress. From an incidence of 80 per cent in 1976, the World Health Organisation recently estimated that it was down to 7 per cent in the interior and had been eradicated from small children completely in the capital.

Learning English

Omani schools teach English as a second language from primary standard four. By the time pupils graduate from secondary three they have had nine years of learning English. This is important because Omanis are those who are capable of benefiting from further education go overseas, particularly to Britain and the U.S.

The country has a number of specialised technical schools and the present Institute of Agriculture at Niwaa is being upgraded to a full college by 1986.

The crowning achievement of Oman's education system, however, is to be the Sultan Qaboos University. This highly ambitious and very costly scheme is due to receive its first students in 1985.

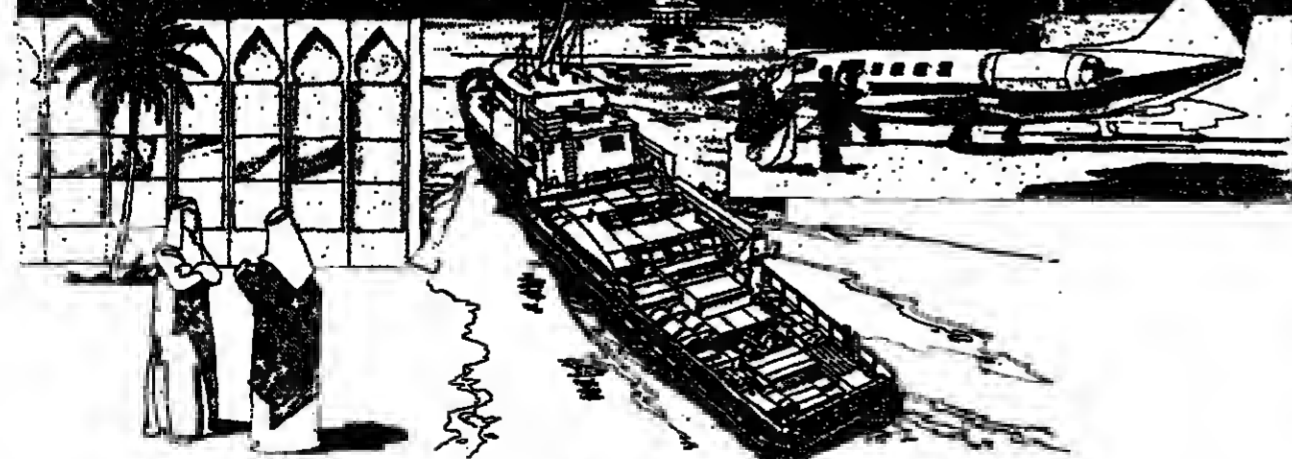
It has been argued that university could become the country's first real white elephant. Does a country with probably less than 1m people need a university of its own?

The cost of Sultan Qaboos University has been put at almost \$300m. That, at least is the cost of the contract won, in something of a coup by Britain's Cementation group, part of the Trafalgar House Group. Britain's Export Credit Guarantee Department covers the repayment of some of the costs.

The first students are due to arrive in 1985. The 10m sq km site is 20 miles from Muscat and allows for further expansion. The majority of students will live on the campus and 510 houses are being built for what will initially be a largely expatriate teaching staff.

To critics that the university is a folly and an extravagance the country can do with-

What merchant bank has over 60 points of contact throughout the Middle East?



Through our close association with the British Bank of the Middle East, which has over 50 branches throughout the region, Wardley Middle East can provide the full range of services you would expect of a leading merchant bank.

As part of Wardley Limited, a leading force in Asian corporate banking, and a wholly owned subsidiary of the Hongkong Bank Group, with assets in excess of US \$58 billion, we have the essential resources to back our customers.

And with over 90 years experience of finance in the Middle East to draw on, we know how to help

them best in this area.

When you come to do business in the Middle East, contact us at our head office in Dubai, or through any of the branches of the British Bank of the Middle East.

WARDLEY MIDDLE EAST LIMITED
DUBAI

member: Hongkong Bank group

Head Office: P.O. Box 4604, Deira, Dubai, U.A.E.
Telex: 45806 Wardub EM. Telephone: 221126/7/8/9.

OUR NAME IS USED TO BUILD CONFIDENCE

Anadolu Bankasi is the only commercial bank with 25 billion TL capital owned by Turkish Treasury itself. Our international connections and contacts in the Middle East, Europe and America are extensive and growing. We have representative offices in Frankfurt, Paris and Rotterdam.

Anadolu Bankasi has a great potential to issue letters of guarantee towards tendering departments in The Kingdom of Saudi Arabia.

It is our motto "to back Turkish Exporters and Contractors"

ANADOLU BANKASI

Backing Turkish Exporters and Contractors

HEAD OFFICE: 34-36 KARAGUZUMLI ISTANBUL-TURKEY
Tel: (0106 67 30 00) Lines: 2042 ARBIO TK
REPRESENTATIVE OFFICES:
Frankfurt
Kaiser Str. 4/A 6000 Frankfurt/Main, DEUTSCHLAND Tel: 6611/2300 Telex: 418941 Loda G.
Paris
34-36, Rue Vignon 75001 Paris/FRANCE Tel: 01/269881 Telex: 461283 F
Hamburg
Kleiststr. 87 2012 EG Hamburg/NOLANDY Tel: 010/1331-13338 Telex: 20564
Special Agencies:
L.E. Fibret Bankers P.O. Box 3796 Jeddah/SAUDI ARABIA Tel: 2460490 Telex: 40176 Arab G.

MATRAH COLD STORES LLC

FOOD DISTRIBUTION & STORAGE

Representatives and distributors for major international food manufacturers throughout the Sultanate, wholesale and retail operations supported by first class storage facilities.

INDUSTRIAL CATERING

Oilfield camps, mining camps and wherever there are small and large numbers of men to be catered for.

P.O. Box 4158, Ruwi, Muscat, Sultanate of Oman
Telephone: 704333 - 704539
Telex: 3268 REEFER ON
Cables: REEFER, MUSCAT

A Member of The Splaney Group of Companies

مكتبة